WEATHER DATA APPEAR ON PAGE 22 No. 31,630

Officials Say U.S. Moves Closer To Tough Stand on Terrorists

By Bernard Gwertzman New York Times Service

WASHINGTON. - White House and State Department officials say that despite some continuing disputes, the administration is moving closer to the tough policy toward terrorists advocated by Secretary of State George P. Shultz.

They said Saturday that this could include the swift use of military force, even if it resulted in some civilian deaths.

But the officials acknowledged that although there was now an effort to produce a coherent policy. as yet there was no certainty that in specific terrorist incidents, the Defense Department or the Central Intelligence Agency would be ready to take the kind of pre-emptive or retaliatory military strikes called for by Mr. Shultz in his speech on terrorism in New York

There was considerable embarrassment within the administration over the heavy publicity Friday. with less than two weeks to go in the election campaign, to the seeming contradictions among many senior officials over how to deal with

"On the one hand, the contradictions are real," a State Department official said, "because we haven't ironed out every detail. But on the other hand, they're not, because we are going to move against the ter-rorists. There will be a war on terrorists. You just watch and see."

They said that part of the reason for the confusion Friday was that President Ronald Reagan and Vice President George Bush were on the campaign trail.
"At the end of the day," a senior

By William Branigin

MANILA. Philippines - Presi-

dent Ferdinand E Marcos has

vowed that his administration will

not be "overthrown either by the

bullet or the ballot" or play the

In a speech to army reservists

Saturday, Mr. Marcos said the

armed forces remained resilient

and strong despite the release of a

report by an official fact-finding

board implicating 25 military men

and one civilian in a conspiracy last

year to assassinate Benigno S.

lead in revamping world trade policy.

cuts before their meeting Monday.

the long Kreisky era.

Aquino Jr., an opposition leader.

take over the Philippines."

INSIDE

A sudden surge in international relief efforts is aimed at helping

Ethiopians suffering because of drought and famine. Page 5.

■ Henry A. Kissinger writes that the United States must take the

BUSINESS/FINANCE

Oil ministers of OPEC states are divided on pricing and output

SPECIAL REPORT

Austria has a new coalition government with a fresh look after

South Africa's black township of Schokeng refuses to be bowed

after last week's crackdown by police and soldiers.

"pet dog" of any Western power.

Washington Post Service

that the administration, despite its many warnings to terrorists, had decisive actions that would deter or proach. punish terrorists.

Mr. Shultz has argued privately, officials said, that the United States should be willing, as Israel is, to respond, as he said Thursday, on a moment's notice," and to strike even though "we may never have the kind of evidence that can stand up in an American court of

Aides to Mr. Shultz said that he was particularly critical of the cau-tion shown by Caspar W. Weinber-ger, the secretary of defense, and by the covert side of the Central Intelligence Agency, both of which have stressed within administration circles the dangers that retaliation would present to American foreign and domestic policy.

Weinberger go back to the dispute tack over the presence of American marines in Lebanon, with Mr. Shultz opposing the withdrawal until the very end, and Mr. Weinberger arguing from the start that they should not have been there.

An official close to Mr. Weinberger said Saturday, "It is true that the Pentagon is more aware of the downside of military operations and therefore is cautious about undertaking operations where the results are as unpredictable as in pre-emptive strikes against terrorists." According to White House and

State Department official contend-ed, "there was no distance between Shultz's principal ally within the George Shultz and Ronald Reagan administration is Robert C. McFarlane, the White House na-Mr. Shultz's aides said that the tional security adviser. White inspiration for the secretary's House and State Department offi-speech was his very strong feeling cials said that Mr. Reagan, depite some comments to the contrary, basically agreed with the Shultz call not been willing to take the kind of for a firmer and less equivocal ap-

> Mr. Shultz had said that it was important for the public to under-stand beforehand that there is potential for loss of life of some of our fighting men and the loss of life of some innocent people" when mili-tary force is used against terrorists.

Mr. Reagan, however, in his most recent remarks on terrorism, in his debate Oct. 21 with Walter F. Mondale, had spoken with much more caution than Mr. Shultz about injuring or killing civilians. While campaigning in Ohio on Friday, Mr. Bush was asked about Mr. Shultz's statement that some civilians might be killed. The vice president responded by saying, "I don't agree with that."

He added: "I think you have got Mr. Shultz's differences with Mr. to pinpoint the source of that at-

Mondale Is Critical

The Washington Post reported from San Francisco: Mr. Mondale said Sunday that the Reagan administration has "emboldened" terrorists with in-

consistent statements about how it would respond to terrorism. At a news conference in the mid dle of a two-day California swing, Mr. Mondale said, "The worst thing you can do is talk in the abstract about what you would



ZURICH, MONDAY, OCTOBER 29, 1984

A man placed flowers Sunday next to a photograph of the Reverend Jerzy Popieluszko at the St. Stanislaw Kostka Roman Catholic Church in Warsaw, Father Popieluszko's parish.

From U.K. **Met Libyans**

By Michael Getler

LONDON - The leader of Britain's striking mine workers, Arthur Scargill, has acknowledged that he met with Libyan representatives in Paris three weeks ago and that a top union executive went to Tripoli and met the Libyan ruler, Colonel Moamer Qadhafi.

Mr. Scargill, in interviews Sunday, said he and his union's chief executive, Roger Windsor, had gone to these meetings at the invitation of trade unionists in Libya, not the Tripoli government. He said his National Union of Mineworkers had neither asked for nor received funds from the Libyans to help striking miners here.

The disclosure of the visits, which apparently were unknown to much of the mine union's executive committee brought immediate condemnation from many political leaders and a number of local mine

union leaders.

The subject of Libya has been a sensitive one in Britain since April when the government severed diplomatic relations after a British policewoman was shot by someone inside the Libyan Embassy in Lon-

The trips by Mr. Scargill and Mr. Windsor could isolate Mr. Scargill

where in the world wish to support the fight of the British miners to Shouting into microphones durstop pit closures and save jobs, we would welcome that support." ing Saturday's televised speech, Mr. Marcos said: "The answer to

The leader of the opposition La-(Continued on Page 2, Col. 7) bor Party, Neil Kinnock, said that if any funds were offered to the miners from Libya they must be rejected. He called it a "vile insult" to receive funds associated with that government. A tax expert retiring from the U.S. Congress says Ronald David Steel, the leader of the

> activities showed he was trying to "extend Marxism." The Libyan to whom Mr. Scargill spoke in Paris was Salem Ibrahim, reportedly a confidant of Col-

onel Qadhafi. Mr. Scargill said he and Mr. Windsor went to Paris to arrange a convoy of aid from French miners to their British counterparts and also to meet with trade unionists

from Hungary, Libya and the Sovi-

et Union.

Mine Leaders Reagan's Coattails May Not Reach Republican Candidates in the South

New York Times Service

ATLANTA — Republican cap didates in the South are seeking to translate. President Ronald Res gan's popularity in the region into victories for other offices next month but political analysts say such an outcome is unlikely.

Republican strategists consider the South, along with the West, as Mr. Reagan's strongest base of support. They hope to pick up as many as 12 House seats now held by Democrats in 11 Southern states. However, Republican gains in

the 11 states depend on the ability of the party to hang onto at least nine districts where Republicans face tough challenges from Demo-In races for the Senate, even Re-

publican officials privately concede the party will do well if it loses no more than one of the five Republican seats being contested in South Carolina, North Carolina, Mississippi. Virginia and Tennessee. Meanwhile, the governorships of

Polls show the president, his strength buoyed by a registration

Regional Races

This is the first in a series of five articles on regional candidates and issues in the national election.

conservative voters in the region, holding a lead over Walter F. Mon-dale, his Democratic opponent,

Much of Mr. Reagan's strength derives from the appeal within the region of his conservative philosophy on such issues as military and

both Arkansas and North Carolina large amount of time Mr. Mondale are likely to remain Democratic, has devoted to the region, efforts at barring a Reagan landslide that campaign organizing among Dem-ocrats here have lagged well behind the aggressive tack taken by Mr. Reagan's staff.

Some key Democratic leaders in the South have shunned the Mondale campaign, and Democratic campaign offices have been slow to open. There is a blizzard of Reagan bumper stickers displayed on cars across the region, but Mondale signs and buttons and other materials are rarely seen.

"Even so, a president's coattails barely touch the ground," said Claibourne Darden, an Atlantabased polister and political analyst who is predicting a landslide vote for Mr. Reagan in the region.

Mr. Darden and others say there continues to be a strong tradition of loyalty to the Democratic Party at the state and local level, which means that in many states voters will split their tickets between Mr. Reagan and other candidates, such

Polish Official Says 3 Officers Held, Possibly **Killed Priest**

By Robert Gillette WARSAW — Three officers in

Poland's Interior Ministry, the government's police and security agency, have admitted the kidnapping of a popular Roman Catholic pness, and one claimed to have killed the clenc. Interior Minister Czesław Kiszczak announced.

General Kiszczak said investigators still did not know the fate of the Reverend Jerzy Populuszko, but added, "One of the justified hypotheses of the investigation as-sumes that the kidnapped is dead." The interior minister, appearing

Saturday on state radio and televi-sion, said that one suspect had con-fessed to killing Father Popie-luszko but that a second claimed the priest had been released near the northern city of Torun. General Kiszczak said the three men would he charged with kidnapping and faced a possible death sentence. A former Solidarity official.

Seweryn Jaworski, claimed the priest was being held by security forces who intended to send him out of the country. United Press international reported.

In Gdansk, Lech Walesa, the former leader of the outlawed union, urged Poles to stay out of what he characterized as a power struggle within the government. He said an unknown conspirator within the leadership intended to provoke a revolution to depose General Wojciech Jaruzelski, the nation's leader.]

The interior minister vowed that the kidnappers and "those who shielded them" would be punished. and warned Poland's political opposition not to use the incident to "push excited elements of the society into acts that may lead to unpredictable consequences."

Police stepped up patrols in Warsaw on Sunday, apparently in anticipation of street protests over the priest's disappearance PAP, the official press agency, reported that the Warsaw district defense committee had convened Saturday to review the state of public order in the capital.

Thousands of Roman Catholic faithful were expected to gather Sunday evening in Warsaw for special masses in behalf of Father Popieluszko, 37, a Solidarity supporter who was abducted in northern

Poland on Oct. 19. Appearing on television in his general's uniform, General Kiszczak identified the organizer of the kidnapping as Captain Grzegorz Piotrowski, 33, a chief of section in the ministry. He said the other kidnappers were the captain's subordi-

The three had served in the ministry between seven and nine years General Kisaczak said. He did no: describe their duties or say in which branch they served, but sources said the three were officers of the

internal security service.

General Kiszczak said the men readily confessed to abducting the priest but continued to give conheting stories about his fate. It was Captain Piotrowski, he said, who confessed to murdering the priest But he added that a search of the area where the priest was allegedly

murdered had produced nothing The interior minister said Captain Piotrowski "claims his act was prompted by the political activity of Father Popiehiszko" and the captain's behel that the government had been meffective in containing such activity. The two lieu-tenants, he added, insisted that

they were only following orders General Kiszczak said Father Popieluszko's kidnapping had been planned over a long time and car-ned out in a way "calculated to give the impression that the Ministry of Interior was responsible. This, he added, gave it the character of a well-prepared provocation

Speaking for the government. General Kiszczak disavowed the abduction. The act had been condemned in strong terms Friday by General Jaruzelski and the Communist Party Central Committee.

The Central Committee met Saturday at party headquarters in Warsaw, The Associated Press reported. It issued a statement calling for a special review by the ruling Politburo of the activities of the police apparatus and hinted at possible personnel changes in the Inte-

nor Ministry.] In his statement, General Kiszczak promised a full, open investigation of "this entire disgusting af-fair," and said the nation's police and security forces were already subject to a constant process of weeding out undestrable elements.

in the last two years, he noted, 2,464 Interior Ministry employees had been dismissed for illegal ac-tion or breach of discipline and 8?2 met with penal responsibility.

Hours before General Kiszczak's appearance, the authorities moved

ty by Solidarity supporters An official communique, carried in all leading newspapers, accused the Solidarity underground of exploiting the kidnapping to create a new confrontation between the sa-

ciety and the government. "The goal is street unrest," the statement said. "Long-term opponents of stabilization and agreement want to bring about a clash at

fiscal policy, as well as his surging popularity among fundamentalist Christian churches. nates. Lieutenant Waldemar Chmielewski, 29, and Lieutenant Leszek Pekala, 32 Meanwhile, despite the relatively (Continued on Page 4, Col. 1) **NATO Group Sets Europe**

Baboon Heart Transplanted

Linda, California.

There had been only four ape-tohuman heart transplants performed previously, all in adults and all unsuccessful. Only one recipient survived more than a few hours, living for three and a half days. The head of the surgical team

said Saturday that the infant was in "remarkably stable condition," The Associated Press reported. Dr. Leonard L. Bailey said, "She has good blood pressure. She's opening and closing her eyes. Her chest X-Liberal Party, said Mr. Scargill's rays have been good. Her blood oxygen levels are appropriate." On Sunday, a hospital spokeswoman said the baby was "alive and doing well, very alive,"

[Dr. Sandra Nehlsen-Cannarella, an immunologist who was a member of the operating team, called the case "one of the biggest. overdue advances in our field."]

The doctors said Baby Fae had known as hypoplastic heart syn-drome, which made the left side of He said he and Mr. Windsor her heart much smaller than the



A team of doctors at the University Medical Center in Loma Linda, California, is shown as it successfully transplants a baboon's heart into a 15-day-old infant known as Baby Fae.

Mrs. McClintock said the heart transplant experiments were apter learning that such transplants a baboon, between "four months" proved by the university's ethics were technically feasible. and one year" of age, was used because a compatible human heart based on animal experiments.

compatibility tests. After immunological testing, the potential donors of heart transplant programs. were narrowed to two baboons and While earlier attempts to use then one. "It's really uncanny." one of the doctors said, "because we never thought we could actually get the data to support selection of one primate donor over another." The doctors said they had detect-

ed no other birth defects or conditions by specialists.

The operation is the first of five in 1967. using baboon hearts planned by traveled under false names to es-right. Baby Fae "almost died on doctors at Loma Linda University,

of a baboon, between "four months proved by the university's ethics committee, Mrs. McClintock said. The experiments give a concert-

was not available. She said that if ed new push to the medical profesthe operation proved successful, sion's effort to use animals as a the baboon's heart would grow as source of organs for transplants. If Baby Fae grew. The prediction was the effort with Baby Fae and other humans succeeds, doctors might Six baboons that were housed at overcome the shortage of donor hu-Loma Linda were selected for the man hearts. That shortage has been a barrier to widespread application

While earlier attempts to use ape hearts failed, this new effort comes when organ transplants are meeting with much greater success than before. The reasons include morescientific knowledge as well as the development of improved tests to transplant activity to the developdetect the rejection phenomenon ment of a drug called cyclosporinbeen born with a severe birth defect tions in Baby Fae after examina- and drugs to light it since the first A. Although the success rates of

Dr. Christiaan N. Barnard perand several other centers that have formed the first successful human been using cyclosporin-A, the procape altention of reporters and that her sixth day" of life, said Joyce which is near San Bernardino heart transplant at Groote Schuur cedure is still reserved for recipithe Libyans had paid for Mr. McClintock, a spokesman for the about 60 miles (96 kilometers) from Hospital in Cape Town, and doc-Los Angeles. The animal-to-human tors elsewhere quickly joined in af-

However, the death rates were high because of the inability of doctors to stop the body from rejecting the donated heart, and almost all centers abandoned the attempts.

In 1977, Dr. Barnard developed a new approach to heart transplant surgery by piggybacking ape hearts to the failing hearts of two patients. In one operation, he piggybacked a baboon's heart and the patient died hours after the operation. In the other, he used a chimpanzee's heart and the patient died three and a half days later.

Experts credit the new surge of human-to-human heart transplant heart transplants have improved significantly at Stanford University

Role in Arms By John Vinocur New York Times Service

ROME - Seven NATO allies meeting here without the United States, have announced plans for enhancing a specific European identity" in the areas of disarmament and weapons procurement

Foreign and defense ministers from the leading West European member countries of the North Atlantic Treaty Organization said they would reorganize the Western body, to harmonize European attitudes involving arms control and develop European cooperation in the manufacture of advanced ar-

The West German defense minister, Manfred Worner, described the action as "raising European influence within the alliance" and "an important step toward European political unity.

But the ministers seemed to limit the potential role of what they called a reinvigorated Western European Union by ordering that there be no budget increases or expansion of its 70-member staff.

The officials, representing Belgium, Britain, France, Italy, Luxembourg, the Netherlands and West Germany, also said they planned to meet twice a year from now on. The meetings during the weekend, officials said, were the first to bring the leading West European foreign and defense ministers together outside NATO aus-

pices since the 1950s.

The scheduling of two new military policy meetings a year in addition to the twice-yearly NATO ministerial meetings seemed to give the European countries a forum for

(Continued on Page 2, Col. 5)

President Marcos addresses army reservists in Manila. In U.S. Infant from other union leaders and from some of the 120,000 miners who have been on strike since March. It could also erode whatever public support there is for the strikers. The disclosure comes less than a week after the leaders of a mine Marcos Asserts Regime By Lawrence K. Altman New York Times Service NEW YORK — A 15-day-old Is Still Strong, Resilient girl has received a baboon's heart in a five-hour operation at a Caliunion that represents 17,000 pit fornia hospital in a bold surgical deputies responsible for safety at effort that could have a wide im-Mr. Marcos said he was mines voted to call off a threatened "shocked" when a questioner in the U.S. presidential debate Oct. 21 pact on the treatment of failing strike. A strike might have closed mines where 50,000 British miners hearts. She was reported to be doasked President Ronald Reagan ing well. continue to work. about the prospect that the Marcos Doctors attending the girl, who Mr. Scargill on Sunday criticized government could be overthrown. identified her only as Baby Fae, what he called the "furor" over the said through a hospital spokesman that they were "very pleased" with the results of the operation, which was completed Friday at the Uni-Mr. Reagan replied that alnews of the contacts, which apthough some things in the Philippeared in British newspapers. pines "do not look good to us from Under questioning, however, the standpoint right now of demo-cratic rights," the alternative was Mr. Scargill said, "As far as we are concerned, if trade unionists anyversity Medical Center at Loma "a large Communist movement to

The Advantages of Being 'Buried Alive' in U.K.'s 'Other House'

LONDON - The House of Lords is often referred to by members of the House of Commons as "the other place." It has also been called an "eventide home" and a "tomb."

"It's like being buried alive," Christopher Addison, a Labor minister of Parliament and later a viscount. was reported to have said when first offered a peerage and the House of Lords seat that comes with it.

"The quality is high," Lord Kilmarnock, whip for the Social Democratic Party, said of the membership, "but it has to be said that the age is pretty high." The introduction in 1958 of life peers, those granted

a title for life, did nothing to reduce the preponder-ance of gray hair in the House. have its proceedings televised starting in January, a step the House of Commons has yet to take.

As of August, there were 1,187 members of the House of Lords, a figure that includes two archbishops and 24 bishops of the Church of England. Only a small number of members usually take an active role in deliberations; a gathering of more than 300 for a vote is considered phenomenal

The chamber is nonelected and nonrepresentative.
It tries to break for its summer recess before opening day of the grouse-shooting season. The Labor Party, which counts peers among its members, regularly resolves to abolish or somehow reform the place.

But recently, some unusual things have occurred in the House of Lords. For one thing, it has agreed to

But the major development has been on the legislative from. It was with some sense of irony last summer that politicians, members of the opposition in particu-lar, watched the House of Lords put up the only successful resistance to Prime Minister Margaret Thatcher's legislative juggernaut in the House of Commons.

In the last session, said Lord Ponsonby, Labor's chief whip in the Lords, "we have had five votes in which more than 300 peers have participated." He added, "During the past 150 years, there have only been 25 such votes."

The issues have included civil liberties and the rights of voters, union members, the elderly and the disabled One of the Lords' most spectacular clashes with their normal allies, Mrs. Thatcher and her Conservative Party, came over the Greater London Council, which the prime minister and her large majority in the House of Commons intend to abolish. As a prelude to the abolition, the government proposed canceling scheduled elections and replacing elected members with appointees, which would have changed the council's political complexion from Labor to Conservative.

In a turnout exceeded only by votes on the govern-ment of Ireland in 1893 and the European Community in 1971, the Lords compelled the government to agree to allow the present members to stay in office. The move won accolades from Ken Livingstone, the council chairman, who once referred to the Lords as "vandals in ermine.

The House of Lords has had a significant impact on other pieces of the prime minister's legislation:

 Last March, the Lords tried to write statutory controls on telephone tapping into a bill dealing with the denationalization of British Telecom, forcing the government to promise to introduce such legislation.

an anomaly, but an anomaly which works rather well

The Lords recommended two changes in the poand is quite unjustifiable on any democratic basis."

lice and criminal evidence bill, which, as proposed, would give the police in Britain far greater powers than their American counterparts. The first change would limit stop-and-search powers to uniformed officers. The second would, for the first time, ban improperly obtained evidence except in rare cases.

The Lords tried to maintain the stock of public housing set aside for the elderly and the disabled by exempting it from legislation giving tenants the right to buy their homes.

"When the government has a big majority," said Lord Ardwick, a Labor peer, "the party manifesto can be almost automatically put through. This is when we miss a written constitution. The general right of appeal to the courts is not there. It is what Lord Hailsham has described as an elected dictatorship.

The House of Lords, he and others have observed, can be a brake - not a stop - on the House of Commons, forcing it to pay attention to public opinion and to matters of law.

"All we can do." Lord Ardwick said, "is delay a bill's passage by roughly 13 months and a day, some absurd thing like that." Afterward, a bill can be approved intact without the House of Lords.

Because the peers do not have to worry about being re-elected, they do have a certain flexibility that the House of Commons does not, including a section of more than 200 independent "cross-benchers

"I happen to be a Conservative," said Lord Boyd-Carpenter. "That doesn't mean I would feel bound to support everything the government produces. This is the strength of the House of Lords. We are independent. We are there for life."

"If it were reformed," Lord Ardwick said of the House of Lords, "it would inevitably want more power, which the House of Commons would not allow. It's

WORLD BRIEFS

Peace Talks on Chad End in Failure

BRAZZAVILLE Congr (Renters) - Peace talks among Charle warring factions have ended in failure here, leaving open the possibility of renewed hostilities once a withdrawai of French and Lityan troops is completed, conference sources said Sunday.

On Saturday, 150 Chadians from a dezen political factions broke up a weeklong meeting they had hoped would clear the way for a summer conference between French-backed President Hissene Habre and his major rival, the Libyan-backed rebel leader, Gouleum Oueddei.

Habré and Goukouni delegates said they would explore ways of resuming the talks, and their groups would fight hack only if attacked French External Relations Minister Claude Cheysson said Sunday in Paris that French and Libyan military observers would begin Monday to monitor the pullout of 3,000 French soldiers and an estimated 5,000 Libyan troops. The pullout is scheduled to be finished by mud-Novembe-

Arab Is Killed on Bus in Jerusalem

JERUSALEM (Renters) - An Arab youth was killed Sunday and two Arabs were wounded when an anti-tank rocket launched by suspected Jewish extremists hit an Arab bus carrying about 50 people in West Jerusalem, security officials said.

An anti-tank rocket launcher was found on a haliside about 10 meters (30 feet) from the bus, police said.

A note was found near the launcher saying that the attack was in revenge for the death last week of two Israelis in the occupied West Bank.

Israel Issues Troop Withdrawal Plan

JERUSALEM (Reuters) - Israel officially proclaimed Sanday in aim to withdraw its 12,000 troops from Lebanon within a short period through U.S.-mediated negotiations with Syria and direct military talks

A statement issued after a cabinet meeting said that Israel would try to reach agreement with Syria through the good offices of the United States, and with Lebanon through direct talks on security arrangements. It did not elaborate on the timing of the withdrawai and said this would determined by the government.

U.K. Bishop Questions Resurrection

LONDON (AP) — Bishop David Jenkins, a leading figure in the Church of England, has referred in a radio broadcast to the resurrection of Jesus Christ as a "conjuring trick with bones."

To a questioner on the program, which was to be aired Sunday, who stressed the New Testament teaching that Christ rose from the tomb, Mr. Jenkins replied in part: "A conjuring trick with bones only proves that somebody is clever at a conjuring trick with bones. I mean the question is what does that stand for? What is it related to? A resuscrited come might be a resuscitated corpse and might be part of a sign of something

But there's still the question as to what it is a symbol of Mr. Jenkins repeated in the radio program his views that Christians do not have to take the Virgin Birth and the Resurrection as absolute facts. His views stirred angry reaction among traditionalists in the Church of England when he was consecrated July 6 as the histop of Durham.

Bulgaria Protests Indictment in Italy

VIENNA (AP) - The Italian ambassador to Bulgaria has been summoned to the Foreign Ministry in Sofia and handed a sharp protest over the indictment in Italy of three Bulgarian citizens implicated in the May 1981 assassination attempt on Pope John Paul II

The official Bulgarian news agency, BTA, said that the Italian diplomat, Giovanni Battistini, was received by Deputy Foreign Manager Lyuben Gotsev on Saturday. BTA released what appeared to be the wording of the protest note, saying the indictments represented a "gross violation of international diplomatic accords" and that "all this puts Bulgarian-Italian relations to a serious test."

An Italian judge. Ilario Martella, said Friday that the pope was shot by

both Mehmet Ali Agca, a Turk who was convicted of the Muck, and Oral Celik, another Turk. Three other Turks and three Bulgarians, including Sergei Antonov, the former deputy station manager of the Bulgarian Airlines office in Rome, also were indicted.

For the Record

Bishop Abel Muzorewa, a former prime minister, called Sunday on Zimbahwe's black opposition to unite in resisting Prime Murister Robert Mugabe's aim of a one-party political system. Bishop Muzorewa and Joshua Nkomo are leaders of the main black opposition parties. (AFP) Der Spiegel, the West German news magazine, said Sunday that a dea!

was about to be concluded for the sale to Iran of about 100 tanks made in Argentina from West German parts. The magazine attributed its story to Argentine armament experts.

Marcos Says His Regime Remains Strong, Resilient

(Continued from Page 1) Tuesday, the State Department said Washington expected the mano indication the Marcos administration can be overthrown either by

the bullet or the ballot." He said the idea that "several thousand Communist rebels" could threaten his 19-year-old goveroment was "certainly imagina-

tion of the wildest degree."
Mr. Marcos later told senior officers at a "command meeting" that the temporary replacement of Gen-eral Fabian C. Ver, the armed forces chief of staff, and two other generals had "created no vacuum" in the military's fight against com-

munist insurgents, Moslem secessionist rebels and crime syndicates. General Ver, 64, went on what the government described as a "leave of absence" after the factfinding board's majority report said Mr. Aquino was not killed by a Communist agent as the govern-ment had claimed but by a soldier in a military conspiracy involving

General Ver. On Friday, the ministers moved populations that their security decisions were not wholly dominated to reorient the body toward the enth anniversary of his formation "study of questions relating to of the Army Reserve Command, Mr. Marcos told representatives of sources to the Western European and "providing political impents" 1.2 million military reservists in the Philippines, "We all feel here an inescapable sense of sadness about the developments of the past few days that have placed some of our of Armaments, set up within the Western European Union essen-tially to monitor limitations that men in uniform under public doubt

He referred to the "distressing development" that four members of a fact-finding board had issued findings listing the 25 military men as "indictable for the premedidated killing."

A dissenting report by the board's chairman implicated only tion of conventional weapons by seven of the 25 in the assassination

Mr. Marcos again obliquely crit-Armaments Committee, can now icized the majority report's find-examine wider arms control and ings when he praised the military

Sixty-eight Philippine n disarmament issues, study "securi- men for "admirably" submitting poted to them."

Mr. Marcos denounced what he At the same time, France and other European countries saw the age the disarmannent studies and European body as a potential tool grams was not made clear. The pines with what is regarded as ministers said houseant that the ministers said, however, that the republies, which he said he did not function of the Western European want to call "banana republics," ment published in the Manila Union would be to "encourage" the activities of the Independent Euro-likes of Chile, Argentina, Nicara-guage daily.

tion findings. When Mr. Marcos accepted the dissenting report

jority report to lead to the prosecution of the accused by the Philip-

pine judicial system. Then, when Mr. Marcos on Wednesday ordered the prosecu-tion of those named in the more damaging majority report, the State Department praised him and hailed "the vigor of democractic traditions in the Philippines."

The State Department, however, went on to say. "The United States trusts that, as President Marcos has promised, those responsible for Senator Aquino's murder, no matter who they may be, will be held accountable for their crime."

With evident sarcasm, Mr. Marcos told the Reagan administra-

"We thank the State Department for articulating the congratulations of his government for the actions that we have taken, but may we inform our friends the Americans that we are not doing things here in order to satisfy the State Department or the Americans, but in order to meet the requirements of the rule of law provided for in our

CODStitution He said that he appreciated "such a strong and generous part-ner" as the United States.

"But we certainly don't want to appear before our Asian brothers as if we were the pet dog of any Western ally," he said.

Western diplomats said it was unclear whether the initial U.S. comments had influenced Mr. Marcos' handling of the majority report. But they noted his apparently reluctant acceptance of it when he told the four fact-finding board members Wednesday: "I hope you can live with your consciences after what you have done."

Sixty-eight Philippine military generals declared Sunday their "unwavering loyalty" to General Ver and said they were confident he would be cleared of accusations of complicity in the Aquino muder, The Associated Press reported.

The generals announced their support in a full-page advertisement published in the Manila

guage daily.
The names of 17 of the country's bers, including France, that is Mr. Marcos said.

Trying to work out European approaches to the imilitary applications of high technology. The word continued the Mr. Marcos said.

The lashed out at the U.S. State Lieutenaut General Fidel V. Rations of high technology. The word work about the Aquino assassinations of high technology. The word work about the Aquino assassination military application findings. When Mr. Marcos has designated acting military abids designated acting military abids acting military abids. 83 generals did not appear in the acting military chief in General





González's Call for a U.S. Troop Cut Said to Be Ploy for Staying in NATO

By Edward Schumacher

New York Tunes Service MADRID - Government officials say that Prime Minister Felipe González's statement last week that he wants to reduce U.S. troop levels in Spain is part of a strategy to win public support for keeping the country within the North Atlantic Treaty Organization.

Most polis have shown that a majority of Spaniards want to quit NATO, and the officials said Mr. González saw a troop reduction as part of the bait he must offer his countrymen to get them to agree to continued membership.

[Fifty-two percent of 2,000 Spaniards surveyed recently op-pose the NATO connection and 70 percent oppose the continued leasing of bases to the United States, according to a poli published Sun-day, The Associated Press reported. The survey by the Madrid newspaper, El País, said 19 percent lavored continued membership.] v Mr. González, after two years of

what a newspaper here called "con-trolled ambiguity," said clearly for the first time Tuesday that he fer-

vored remaining in NATO, at least lomats was that the reduction politically. But, under pressure to fulfill a campaign pledge, he also announced that he would hold a national referendum on the ques-

tion within the next 16 months. Mr. González did not specifically link membership in NATO and an American troop reduction, but he presented them as part of a 10point defense plan that he said he would submit to parliamentary de-bate in hopes of achieving a consensus among political parties before the referendom.

Conservative parties reacted favorably to the plan, but the Communists and the left wing of Mr. González's own Socialist Party did not. Some party members ex-pressed anger that they had not been consulted. In December, the party will hold its first national convention since Mr. González took office two years ago.

American officials have not

shown particular concern over Mr. González's statement about a troop reduction. The United States has 12,000 troops stationed at four bases and a scattering of communication stations under a treaty rati-fied by the González government just last year. The treaty is not up for renegotiation until 1988.

Mr. González did not say how large a reduction he wanted or on what timetable, but he used words such as "adjustment" and "pro-gressively less presence." The impression among many Western dip- structure.

would be gradual and minor, perhaps after 1988.

The most important base, from the American point of view, is the naval facility at Rota, near the Strait of Gibraltar. The base, which has more than 5,000 servicemen, supplies the 6th Fleet. The air force uses the other three bases.

One, at Torrejon de Ardoz outside Madrid, has more than 4,000 servicemen and a normal complement of nearly 80 planes. A second air base in the northeastern city of Zaragoza has more than 2,000 servicemen and is used largely for training. The third base, in Moron, outside Seville in the south, has about 400 servicemen and is mostly on standby.

The United States considers its presence central to the defense of southern Europe. Western diplomats, however, saw a minor reduc-tion as a price worth paying to keep Spain inside the larger European defense framework of NATO.

A conservative-led government joined NATO in 1982, Mr. González came to office months later, winning in part on a campaign against membership. One of Mr. González's first acts as prime minister was to freeze military integration into NATO.

Spain today is on NATO's Military Committee, but its forces are not part of the organization's force



Two West German leaders, Foreign Minister Hans-Dietrich Genscher, left, and Defense Minister Manfred Worner, following the Western European Union meeting.

European Identity' Sought In Policy on Disarmament

(Continued from Page 1) velopment and sales of advanced military technology. trying to convince segments of their

by the United States. But without committing new rearms control and disarmament Union, the European allies also appeared to reflect less enthusiasm peared to reflect less enthusiasm for the idea of "Europeanization" of military policy than when the concept was first discussed a year

At that time, the deployment of new U.S.-made nuclear missiles in Western Europe prompted such protests in Britain, Italy, the Neth-erlands and West Germany that interest was expressed in finding a

mark on Western security policy. In addition, France, the major initial force in trying to refashion the Western European Union, rethe Western European Union, re-garded its strengthening as a way of binding West Germany to the allies and combating neutralist and pacifist forces in West Germany by the standard on armaments cooperation, the for the "crimes now strangely iming the United States.

At the same time, France and the widening American lead in de-

UNIVERSITY DEGREE YOU THEY QUARRY TO! iled resumé

PACIFIC WESTERN LINIVERSITY

weapons, would stop its activities concerning conventional arms by Jan. I, 1986. interest was expressed in funding a way to place a clearer European of all restrictions involving produc-

for cooperative European initia-

West Germany placed on itself in

the development of conventional

West Germany, the control agency communiqué said. How a limited staff would man-

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CAMPAIGN BRIEFS

Pro-Israel Groups Raise \$1.8 Million

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The study, by Edward Roeder of Sunshine News Services, is based on computer analysis of the Federal Election Commission reporting statements through July, the end of the most recent reporting period studied

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Fifteen women have served in the Senate by election or appointment. zette, the St. Petersburg (Florida) according to Senate Library files, but none was elected over an incumbent. Times and the Philadelphia Inquir-Fifteen women have served in the Senate by election or appointment, senator. This year, with the encouragement of both parties, a record nine women are challenging incumbent senators in Colorado, Maine, Minne-sota, Nebraska, New Jersey, New Mexico, Oregon, Rhode Island and

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Democratic officials say Mr. Mondale has indeed written off Florida. But they deny that they have written off Texas, and no one disputes the importance of California, with its 47 electoral votes, to the battle for the Sun Belt.

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■ Press Makes Endorsements

The New York Times, citing President Reagan's "dangerous" diplomacy, endorsed Mr. Mondale for president in its Sunday editori-United Press International reported. (See editorial, Page 6.)

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Walter F. Mondale shaking hands after a speech to a weekend rally at a park in San Diego.

Reagan's Stumble During First Debate Was Routine Performance for Insiders

By George Skelton ry, thus given the reader of WASHINGTON — When 100 president. million U.S. television viewers watched President Ronald Reagan with Walter F. Mondale, they saw what a small cadre of perhaps 100 aides and journalists have been witnessing routinely for years.

That smoother, stronger performance the president turned in during the second debate last week was closer to what the American public

has come to expect.

But the patented Reagan oratories that are so skillful and articulate and long ago earned him the title of the "Great Communicator" generally require a meticulously honed, well-rehearsed script, preferably read from a TelePrompter. aides say. And these prerequisites do not fit easily into the format of a

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ry, thus giving a break not only to

What was unique about Mr. Reagan's subpar performance in occasionally falter, stumble and grope for words in his first debate knowledged was flat and his advisers termed disappointing — was that it occurred in front of very possibly the biggest audience of his life and marked the first time in a jeopardized his large lead in the 20-year political career that the for- polls. mer film actor has failed to come through when the spotlight was on and it really counted.

"I guess he had it coming, quipped a longtime political adviser, Stuart K. Spencer, alluding to the president's many past triumphs in high-stakes debates and speech-

Mr. Spencer added, more seri-ously, that "he had an off-night, just like an athlete."

Several explanations were offered by Mr. Spencer and other close aides as to why President Reagan had a bad night in Louisville, Kentucky, on Oct. 7, but had a reasonably good night in Kansas City, Missouri, two weeks later during the second debate.

One thing they all insisted upon Newspaper reporters and TV is that it had nothing to do with film editors often clean up ramage. "In almost every aspect, I

In Louisville, aides said, Mr. the reader or viewer but also to the Reagan was rusty, out of practice answering questions from adver-saries. He had not held a press conference since July 24 because, aides privately admitted, it was considered too risky. He might have misstated some fact, as he is prone to do, or expressed some unpopular view that could have

> White House advisers tried before the first debate to cram Mr. Reagan with facts and statistics to counter Mr. Mondale's charge that the president was out of touch and insufficiently informed to lead. aides admitted.

Also, an incorrect assumption about how Mr. Mondale would confront President Reagan led David A. Stockman, the budget director, to repeatedly act out the role of a nasty, ridiculing opponent during mock debate rehearsals. This "brutalized" the president in the view of Senator Paul Laxalt, a Nevada Republican, Mr. Reagan's campaign chairman and longtime political

The result was that a president who performs best after he has received encouraging pep talks went into the crucial contest baving been "browbeat" by his staff, according to one aide, who asked not to be identified. "His spirit was dampened when it should have been ig-

The Industriekreditbank Reports

Business Year 1983/84

Success Stories of IKB Customers

Even in the years of the recession from 1980 to 1982 a great number of small and medium-sized enterprises managed to make excellent profits and to increase employment. This is the conclusion of a much-noted study made by Industriekreditbank (IKB), "The Entrepreneur's Bank", in the first part of its business report 1983/84. Some of the most important reasons for the positive operating results of these firms are: successful enterprises have managed to achieve above-average investment ratios, to push new products in the market, and to reduce stock and short-term liabilities to banks.

IKB Profits Increasing

The net interest income obtained by Industriebank increased by 13% to DM 197 million. Since administrative expenses could simultaneously be cut the operating result was improved by 26% to DM 124 million. Rising risks were taken into account by increasing loan loss provisions and write-offs from

Higher Dividend

Thanks to higher earnings, the dividend could be increased to DM 7.50 per DM 50 share. The profit as shown in the balance sheet rose by 20% to DM 24 million. After DM 12 million appropriated out of the year's net profit, capital and reserves amounted to DM 516 million, or 3.81% (against 3.45% in 1982/83) for the year-end balance sheet total.

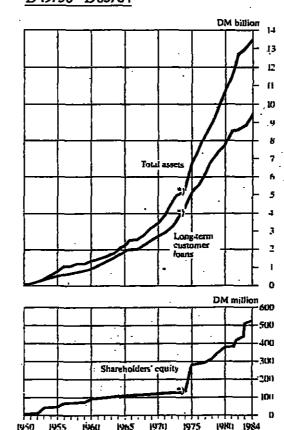
Shifting to Long-term Loans

Our bank's balance sheet total increased by 3.8% to DM 13.5 billion, the claims on customers by 3.4% to DM 10 billion. The reshifting to fixed-interest long-term loans continued in the business year 1983/84, so that meanwhile 95% of our claims again fall upon loans of at least four-year terms.

Successful Subsidiaries

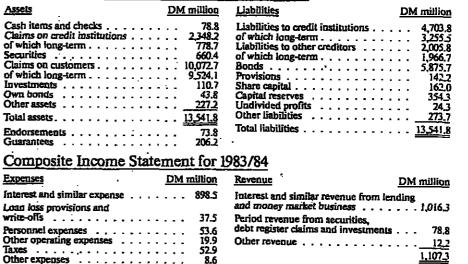
Our 100% owned Euro subsidiary, Industriebank International, Luxembourg, could extend its borrowings by 27% to DM 780 million. The operating result rose by 25%. Profits of DM 1.6 million remaining after valuation adjustments and setting up of reserves were added to the reserve fund. IKB Leasing GmbH, engaged in equipment leasing, has likewise operated successfully. Its gross income from leasing customers could be increased by 6% to DM 173 million. IKB Consult GmbH, our consultancy company, also showed a continuing upward trend.

Business Development 1949/50-1983/84



*) increase partly resulting from merger with Deutsch

Composite Balance Sheet as of March 31, 1984*)



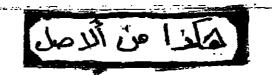
*) Our detailed Annual Report with complete financial statements, including the positive confirmation of our outside auditors, is available on request (Postfach 1118, D-4000 Düsseldorf 1). Complete financial statements are published in the official Bundesanzeiger No. 198 issued October 18, 1984.

Industriekreditbank AG Deutsche Industriebank

The Entrepreneur's Bank

Düsseldorf Berlin Frankfurt Hamburg Munich Stuttgart

In Luxembourg: Industriebank International S.A.



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bling, disjointed, extemporaneous haven't seen age to be a factor — in sentences by Mr. Reagan, without his ability to deliver, travel, do the changing their substance, if they things he's always done," said Mr. are deemed relevant to a news sto- Spencer.

ry, thus giving a break not only to

What was unique about Mr. Reagan's subpar performance in occasionally falter, stumble and grope for words in his first debate knowledged was flat and his advisers termed disappointing — was that it occurred in front of very possibly the biggest audience of his life and marked the first time in a jeopardized his large lead in the 20-year political career that the for- polls. mer film actor has failed to come through when the spotlight was on and it really counted.

"I guess he had it coming, quipped a longtime political adviser, Stuart K. Spencer, alluding to the president's many past triumphs in high-stakes debates and speech-

Mr. Spencer added, more seri-ously, that "he had an off-night, just like an athlete."

Several explanations were offered by Mr. Spencer and other close aides as to why President Reagan had a bad night in Louisville, Kentucky, on Oct. 7, but had a reasonably good night in Kansas City, Missouri, two weeks later during the second debate.

One thing they all insisted upon Newspaper reporters and TV is that it had nothing to do with film editors often clean up ramage. "In almost every aspect, I

In Louisville, aides said, Mr. the reader or viewer but also to the Reagan was rusty, out of practice answering questions from adver-saries. He had not held a press conference since July 24 because, aides privately admitted, it was considered too risky. He might have misstated some fact, as he is prone to do, or expressed some unpopular view that could have

> White House advisers tried before the first debate to cram Mr. Reagan with facts and statistics to counter Mr. Mondale's charge that the president was out of touch and insufficiently informed to lead. aides admitted.

Also, an incorrect assumption about how Mr. Mondale would confront President Reagan led David A. Stockman, the budget director, to repeatedly act out the role of a nasty, ridiculing opponent during mock debate rehearsals. This "brutalized" the president in the view of Senator Paul Laxalt, a Nevada Republican, Mr. Reagan's campaign chairman and longtime political

The result was that a president who performs best after he has received encouraging pep talks went into the crucial contest baving been "browbeat" by his staff, according to one aide, who asked not to be identified. "His spirit was dampened when it should have been ig-

The Industriekreditbank Reports

Business Year 1983/84

Success Stories of IKB Customers

Even in the years of the recession from 1980 to 1982 a great number of small and medium-sized enterprises managed to make excellent profits and to increase employment. This is the conclusion of a much-noted study made by Industriekreditbank (IKB), "The Entrepreneur's Bank", in the first part of its business report 1983/84. Some of the most important reasons for the positive operating results of these firms are: successful enterprises have managed to achieve above-average investment ratios, to push new products in the market, and to reduce stock and short-term liabilities to banks.

IKB Profits Increasing

The net interest income obtained by Industriebank increased by 13% to DM 197 million. Since administrative expenses could simultaneously be cut the operating result was improved by 26% to DM 124 million. Rising risks were taken into account by increasing loan loss provisions and write-offs from

Higher Dividend

Thanks to higher earnings, the dividend could be increased to DM 7.50 per DM 50 share. The profit as shown in the balance sheet rose by 20% to DM 24 million. After DM 12 million appropriated out of the year's net profit, capital and reserves amounted to DM 516 million, or 3.81% (against 3.45% in 1982/83) for the year-end balance sheet total.

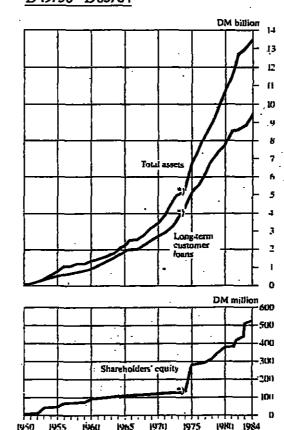
Shifting to Long-term Loans

Our bank's balance sheet total increased by 3.8% to DM 13.5 billion, the claims on customers by 3.4% to DM 10 billion. The reshifting to fixed-interest long-term loans continued in the business year 1983/84, so that meanwhile 95% of our claims again fall upon loans of at least four-year terms.

Successful Subsidiaries

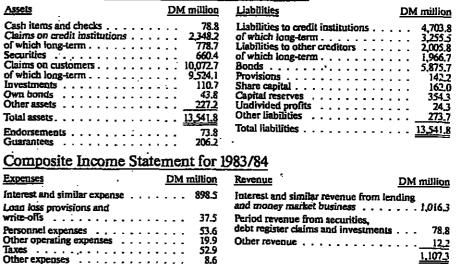
Our 100% owned Euro subsidiary, Industriebank International, Luxembourg, could extend its borrowings by 27% to DM 780 million. The operating result rose by 25%. Profits of DM 1.6 million remaining after valuation adjustments and setting up of reserves were added to the reserve fund. IKB Leasing GmbH, engaged in equipment leasing, has likewise operated successfully. Its gross income from leasing customers could be increased by 6% to DM 173 million. IKB Consult GmbH, our consultancy company, also showed a continuing upward trend.

Business Development 1949/50-1983/84



*) increase partly resulting from merger with Deutsch

Composite Balance Sheet as of March 31, 1984*)



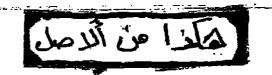
*) Our detailed Annual Report with complete financial statements, including the positive confirmation of our outside auditors, is available on request (Postfach 1118, D-4000 Düsseldorf 1). Complete financial statements are published in the official Bundesanzeiger No. 198 issued October 18, 1984.

Industriekreditbank AG Deutsche Industriebank

The Entrepreneur's Bank

Düsseldorf Berlin Frankfurt Hamburg Munich Stuttgart

In Luxembourg: Industriebank International S.A.





Cardinal Jaime L. Sin of Manila, left, prayed with Bishop Michael Fu Tieshan in Beijing on Sunday.

Manila's Cardinal Visits **Breakaway Beijing Church**

BEIJING — Chinese worshipers in a Beijing cathedral knelt Sunday at the leet of Manila's Roman Catholic archbishop, Cardinal Jaime L. Sin, and kissed the ring of the prelate. The cardinal is on a mission of friendship toward the Communist Chinese church which broke with the Vatican in 1957.

Cardinal Sin prayed briefly at Our Lady of the Immaculate Conception Cathedral in west Beijing and appeared moved as he was led through the throngs by Beijing's Catholic bishop, Michael Fu Tie-shan. My church also is called immaculate conception," Cardinal Sin told Bishop Fu. "So we have the same mother.

The Filipino cardinal arrived Saturday for a 10-day visit. He said he wanted to see relatives, make friends and talk with religious and state leaders on prospects for healing the Chinese church's split with the Vatican. Cardinal Sin is the first Asian archbishop to visit China since the 1949 Communist takeover.

Nations, Individuals Join Effort to Aid Starving Ethiopians

By Joseph Berger NEW YORK - An internation-

al effort to help (amine victims in Ethiopia has accelerated dramatically in recent days with governments offering food, transport planes and other aid.

In New York, officials of relief agencies said there had been an outpouring of thousands of donations for the stricken Ethiopians, Part of the reaction in the United States was attributed to the television broadcast of a film that vividly depicted the suffering.

Officials of American relief agencies said it had been years since they had been so overwhelmed with offers of help.

"The telephones have been ring-ing constantly," said James Sheffield, president of the United States Committee for the United Nations Children's Fund, or UNICEF.

The U.S. Agency for International Development said last week that six million Ethiopians were threatened with starvation and as

many as 100 were dying daily. On Saturday, Britain offered two Hercules transport planes to fly food to Ethiopia and other planes to drop food directly to stricken areas. The Reagan administration said earlier that it would provide \$45 million in food aid to Ethiopia; the 10-nation European Communi-ty offered \$23.4 million in food and medical supplies, and the Netherlands pledged \$3.8 million in fam-

While the famine has been killing Ethiopians for more than a year, relief officials say, the surge of offers in the United States followed graphic film footage of starving Ethiopian children and adults that was shown on U.S. television last Tuesday.

"Many of them are in tears when they call," Mr. Sheffield said. They've seen television footage

and they say it's horrible and some-thing must be done." He said his agency had received offers of from produced by the British Broadcast- # Ethiopia Rejects Commission ed by Willy Brandt, a former West hoping a lamine would topple the ing Corp., showed malnourished children and adults at a refugee camp. "There were literally people dying on the screen." Mrs. Wood-\$65,000 to \$75,000. He said two pledges were from young girls whose allowance was \$5 a week ward said. and they want to pledge that."

"It hasn't stopped since then," ne continued. "We had people Betty Woodward of the Save the she continued. here until 2 in the morning. We had Children Fund, another relief group, said her agency had received 40 phones and people were d 12,000 phone calls since Tuesday. nothing but answering them." 40 phones and people were doing

"We've never seen anything like She said that "people want to this in terms of a telephone retalk about it. It's almost a catharsis. 'Can't we do more,' they say, 'Can't The television film, which was you airlift people in there.

Ethiopia has rejected proposals that an independent commission ensure that food aid for the coun- Want.

try's famine victims reaches areas where rebels are active, Reuters reported from Addis Ababa. A spokesman for the Relief and Rehabiliation Commission said

the commission unacceptable be-

approval of Addis Ababa authori-

The commission, which is head-blocked relief supplies to Ethiopia food."

German chancellor, was formed. Marxist government, according to Finday by a British chanty, War on. The Associated Press.

George Galloway, general secre. Addis Ababa denied the charge tary of the charity, said the com- and said US policy was not to use mission wanted to travel to Ethio-

Saturday that Ehiopia had found rebels are active. cause it was set up without the # U.S. Said to Block Aid

food as a political wears in The Reverend Charles Ellion. pia to make sure that relief reached. The Reverend Charles Ethou. Tigre and Entrea, two areas where former head of the Christian Aid charms, was quoted by The Obserser of London on Sunday as saving that the United States' "long hostil-A leading authorny on aid said invited the tegame caused them to the United States and Britain refuse to release adequate tunds or

A U.S. Embassy spokesman in

West, OPEC Are Split on Sharing Cost of Agricultural Aid

By Stanley Meisler Las Angeles Times Service

sponse," she said.

PARIS - The annual meeting of the International Fund for Agricul-tural Development has ended in failure, with oil producers and industrialized countries arguing about how to finance the agency for another three years.

All of the financial backers of the small United Nations organization. including the U.S. government. have praised its work in lending and granting money to increase food production by small farmers ood production by small farmers
und help landless peasants around
he world.

But the backers, including the
Under the plan presented by
OPEC, the OPEC nations would
contribute \$295 million for 1985 to and help landless peasants around

MOSCOW - Prime Minister

Nikolai A. Tikhonov left for Ha-

vana on Saturday to lead the Krem-

lin's delegation to a meeting of

heads of government of the Soviet-

bloc economic alliance, the official

troleum Exporting Countries on \$415 million. the other, cannot agree on a formula that allocates the share of financing by each group.

hopes that a compromise can be

al Economic Assistance, known as

Cuba for its regular annual session.

said they expected the session to

include discussions on ways to im-

prove the economies of Cuba, Viet-

nam and Mongolia to bring them

omecon, convenes Monday in

Western diplomats in Moscow

trialized nations of the West on one plan calls for OPEC to provide the U.S. delegation, said that the gov- for International Development. hand and the Organization of Pemise will be the job of Idriss Jazairy

Although the meeting that ended Friday in Paris provided no money for the three years beginning Jan. 1. the fund can continue for some months with the cash on hand in to draw attention to its work.

United States and the other indus- ized states \$465 million. The U.S. same \$295 million but the West erning council had tentatively

Trying to work out a comproof Algeria, who has succeeded Abdelmusin M. al-Sudeary of Saudi some industrialized countries, and war between member states from Arabia as president. The fund has headquarters in Rome, but its governing council met in Paris this year at the invitation of President OPEC contributes 42 percent. François Mitterrand, who wanted

scheduled another meeting in early December to resume negonations.

At the meeting last week, the equal share of the cost. The indusinalized countries now contribute 58 percent of the budget while

Richard A. Derham, an assistant

Nancy Gallup, a member of the administrator of the US Agency says that the United States would prefer more of a 50-50 arrangement but would again accept the current formula

prices for its ett. presented a plan that would result in a formula of a of-percent contribution by the industrialized nations and a 39-percent contribution by OPEC

into line with development in the news agency Tasa said. rest of the Soviet bloc. The 10-nation Council for Mutu-

Comecon Talks to Convene in Cuba

TOKYO -- Prime Minister Yasuhiro Nakasone of Japan, overcoming a minor rebellion within his governing Liberal Democratic Party, gained approval Sunday from

conservative party for a second two-year term. Mr. Nakasone's re-election as party president will assure that he remains prime minister because of the Liberal Democrats' majority in

the Diet, or parliament.

After more than seven hours of meetings Sunday at party headquarters, senior Liberal Democratic officials gave approval to Mr. Nakasone and accepted his pledge to work for party unity and reform anese news organizations.

in his next administration. Shin executive council, said in a television interview.

senior party officials to lead the next week to formally elect Mr. the party's largest faction. Nakasone to a second term and set in motion discussions on who will serve in his next cabinet.

Mr. Nakasone, 66, became party and national leader in November 1982, succeeding Zenko Suzuki, who stepped down amid factional squabbling. Mr. Suzuki, 73, was a central

figure in a plan to replace Mr. Nakasone with a party vice president, Susumu Nikaido, according to Jap-

Kanemaru, chairman of the party's faction in the governing party, Mr. Suzuki was reportedly unhappy with Mr. Nakasone's dependence Liberal Democratic members of on the support of Kakuei Tanaka, a the Diet are expected to meet early former prime minister who leads

> Mr. Tanaka has continued to play an important role in Japanese politics despite his conviction in October 1983 for taking bribes to promote Lockheed aircraft in Japan. He has appealed the convic-

Senior party leaders and executives met Saturday in an attempt to reach consensus on backing Mr. Nakasone's second term, but the meeting was devoted to criticism of Mr. Nakasone for failing to carry

Nakasone Overcomes Revolt, Gets Party Approval for 2d Term out party reforms, meaning ex-punging the control of Mr. Tanaka. However, he gave Tanaka fac-tion members six posts in his 20done well in opinion polls and has has recently suggested that he gained a reputation for his skills as would like up to 10 cabinet seats if a diplomat and for having made Mr. Nakasone is re-elected with his Japan a strong partner in the West-

em alliance However, his party faction is meetings among party executives only fourth largest, behind those of and faction leaders, Mr. Nikaido Mr. Tanaka, Mr. Suzuki and an- and three others widely regarded as other former prime minister, Takeo contenders for the top party post

unduly influenced by Mr. Tanaka. the Economic Planning Agency.

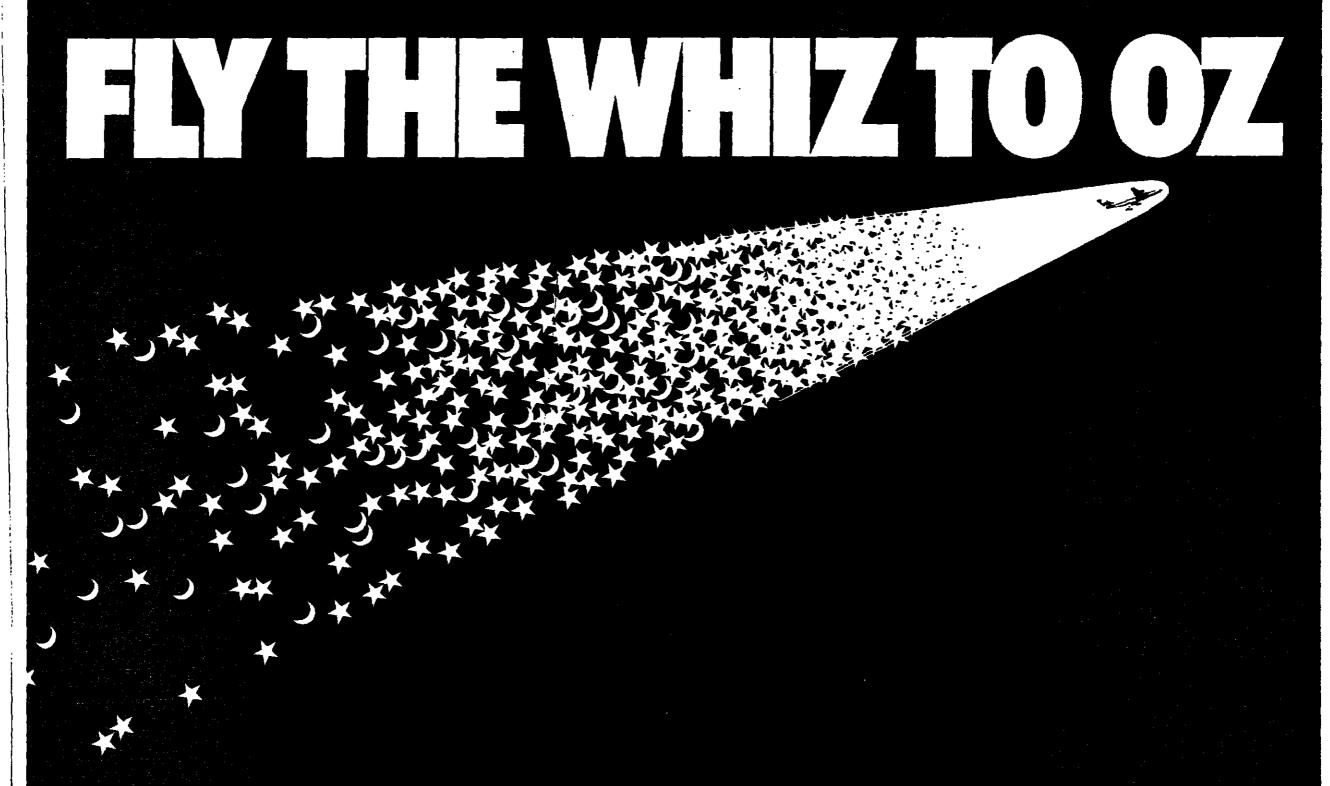
Mr. Nakasone has generally member cabinet, and Mr. Tanaka

backing. On Sunday, after six hours of stated that they were not candi-After the Liberal Democratic dates, paving the way for consensus

Party suffered a parliamentary to be reached on Mr. Nakasone. election setback in December, Mr.

Nakasone was forced by party el
Shintaro Abe; Kiichi Miyazawa, a ders to issue a statement saying former foreign minister, and To-that his government would not be shio Komoto, director-general of





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Civility vs. Terrorism

Secretary of State George Shultz is a man preoccupied by international terrorism. He sees it as a general threat to world order, a direct challenge to American foreign policy interests and a specific danger to American diplomats. The U.S. Embassy in Beirut has been bombed twice on his watch, and threats to other diplomats abound. Mr. Shultz has led the Reagan administration's campaign against the domestic and international faces of terrorism from a position considerably out in front of other officials, including the president. On Thursday in New York he went out in front a step further, declaring that the United States should stop playing "the Hamlet of nations" and use force as necessary abroad, to pre-empt and to retaliate even if the evidence is not of "courtroom" caliber and even if American servicemen and innocent civilians are killed.

Mr. Shultz was on the mark in emphasizing intelligence, planning, coordination with allies and constant vigilance. This point was being underlined as he spoke by a new Senate report blaming the second Beirut embassy bombing on a "tragically simple" failure not to block access to the building. Mr. Shultz has a former marine officer's intense feeling of responsibil-ity for the men under him who have died in Lebanon. It is easy to understand how someone who has failed to win full official sanction for his views may, in his more frustrated mo-

ments, see his country as an indecisive Hamlet. But Mr. Shultz has gone too far. We have previously objected to the reach of some of the domestic anti-terrorist legislation he favored. Here we assert that he has simply not made the case that international terrorism is so immense

and overwhelming a menace that it compels America to - in the name of the rule of law take the law into its own hands on foreign soil. This is so even in "gray areas" (Lebanon) where lack of a local authority and the existence of nearby sanctuary give terrorists play.

Who thinks terrorism of this sort can be extinguished by a bold strike or two, or that such strikes do not create new perils for other Americans? The secretary lauds Israel's example, but Israel is caught in a seemingly endless cycle of terror and counter-terror. Who believes America's friends, let alone its citizens. will stand still while the United States attempts to deter or punish terrorists in foreign countries, striking without a certain target and killing innocents in the process?

As for sanctions, Syria is a cause of some of the American agony in Lebanon, but Syria is correctly classified by Mr. Shultz's State Department now as "helpful" in steadying Lebanon. For similarly practical reasons, the department is about to resume diplomatic relations with Iraq, whose government was not long ago officially proscribed as a supporter of international terrorism. Then there is the embarrassing question of what the United States

supporting in Nicaragua. Terrorism is hideous. So far for the United States, however, it is only one care among many. It must be treated by means that do not add to the damages. One purpose of terrorism is to provoke democracies to cast aside their traditions of law and civility and to take on, in some degree, the manner of their attackers. No sensible democracy will let this happen.

- THE WASHINGTON POST.

A Message to Pakistan

Diplomats Out of Line

Embroiled in a tough campaign for re-elec-tion, Senator Jesse Helms boasts of endorse-tional" policy of discouraging ambassadors

Other Opinion

FROM OUR OCT. 29 PAGES, 75 AND 50 YEARS AGO

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RENÉ BONDY

Executive Editor

Deputy Editor Deputy Editor Associate Editor

Despite its periodic denials, Pakistan is obviously continuing to work on nuclear weapons technology. Pakistan's ambitions have raised concerns for some time among governments that try to enforce the rules against nuclear proliferation. Last month, The Wall Street Journal reports, President Reagan wrote a personal letter to President Mohammed Zia ul-Haq expressing "deep concern" that Paki-stan's pursuit of these weapons could undermine relations between the two countries. It is an important and useful declaration. Through most of the past four years the White House has not visibly paid a great deal of attention to the dangers of proliferation. Mr. Reagan's letter is particularly welcome as an indication of increased interest in a kind of peacekeeping in which American leadership is crucial.

Of all the countries that are actively seeking nuclear arms, Pakistan presents the most complex questions to U.S. diplomacy. The guerrillas fighting the Soviet occupation in Afghanistan depend on an open border to the south; in the absence of at least tacit Pakistani cooperation, the prospects for the Afghan resistance movement would be poor. To the east, India's nuclear capability has become an incitement to Pakistan almost to the point of obsession.

Beyond that there is the relationship between Pakistan and China. With great fanfare Mr. Reagan signed a nuclear cooperation

startling, unprecedented partisanship by rep-

resentatives of all the people, Secretary of

State George Shultz has made only mildly

disapproving statements. He reminds them

that their first duty is to the nation. In fact

their behavior is inappropriate in the extreme,

Thursday at which he distributed the endorse-

ment by the U.S. ambassadors to Mexico.

France, Canada, Austria, Peru, Guatemala,

Paraguay, South Korea, Barbados, Colombia,

the Bahamas, Romania, Switzerland, Jamaica,

Madagascar, Equatorial Guinea and Costa

Rica, plus five others to international organi-

zations. Two of them appeared with the North

Carolina senator to extol his "strong, close

The Superpowers Change Tone

in Finland. Romania's Nicolae Ceausescu has

left Bonn. In Paris, Hungary's Janos Kadar

dismissed speculation on any crisis in the

Kremlin leadership; it is a stable situation, he

claimed, with a "joint and solid leadership."

Wherever the center of gravity of that "joint leadership" may lie, it is a safe bet that Mos-

LONDON - "I do not think there is any

game which is so liable to put one out of humor

as croquet," remarked Justice Bargrave Deane

in Divorce Court [on Oct. 28]. The case in

which he laid down this dictum was the suit for

judicial separation which Mrs. Alice Mary

Fearnley-Whittingstall brought against her husband, the Rev. Herbert Oakes Fearnley-

Whittingstall, on the ground of his cruelty. It

was alleged that the rector frequently lost his

temper, and his wife had stated that on one

occasion when they were playing croquet he

was so annoyed because she raised a question

as to whether his ball had quite gone through a

hoop that he did not speak to her for days.

1909: Till Croquet Do Us Part

Erich Honecker of East Germany [has been]

relationship with the Reagan administration."

Senator Helms held a press conference on

even for non-career political appointees.

the administration to discuss Chinese-Pakistani nuclear cooperation at length.

Over the decades, many countries have considered an attempt to build nuclear weapons, and all but a few have abandoned the idea. Most have concluded, after careful thought, that they can protect themselves better through reliable alliances and friendships throughout the world. They have usually decided that the possession of these weapons would not leave them safer, but much less safe. Mr. Reagan has now warned Pakistan that its attempts to gain nuclear arms will inevitably affect the ties between its government and the United States, its most powerful friend and supporter. His letter is a contribution to the world's security and, whether they acknowledge it or not, it is an effort to strengthen the Pakistanis' security in particular.

-THE WASHINGTON POST.

paigns." The reason for that tradition is obvi-

ous: No senator can set himself up as an

authoritative voice for the nation abroad.

When ambassadors take sides in elections,

That is especially true in the case of Senator

Helms. As energetically as he champions his

state's tobacco industry, he lobbies for South

Africa's white-supremacy regime and the vio-

lent right in El Salvador. He opposes ties with

China and has done his best to thwart progress

on arms control. Are those the views of the Reagan administration? Do the ambassadors

Senator Helms speaks for a faction. Ambas-

sadors who ally themselves with that faction

- THE NEW YORK TIMES.

hamper their ability to represent the nation.

cow looks on all this travel activity with suspi-

cion and mixed feelings. Nor is Washington

accustomed to appland too much European

activity in international politics. Thus you can

observe something of a new tone between the

superpowers. Mr. Chernenko has given an

interview to The Washington Post (IHT, Oct.

17). In Washington the official reaction to Mr.

- Svenska Dagbladet (Stockholm).

Chernenko's statements has been cautions.

1934: Military Budgets on the Rise

WASHINGTON - With leading nations

shown to be spending more money for arma-

ments than before the war, little hope for arms

limitation is predicted in the report of the

Foreign Policy association, made public [on

Oct. 28]. The report points out that "when it is

recalled that unrestricted competition of ar-

maments reached its apex during the decade

before the war, these figures appear more sig-

nificant." The report stated that current mili-

tary budgets show that France is spending 25.8

percent more than it did in 1913 for arma-

ments, Italy 26.3 percent more, Great Britain

48.8 percent more, the United States 109 per-

Deputy Publisher Associate Publisher Associate Publisher

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cent more and Japan 38.8 percent more.

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endorse them along with the senator?

they send confusing messages to the world.

agreement with China during his visit there last spring, but he has not yet sent the agreement to Congress for approval. The administration has never explained this long delay, but the reasons evidently involve accusations that the Chinese have been helping Pakistan develop weapons. China vigorously denies it, so Mr. Reagan's handling of the nuclear agreement has become a central issue between the two governments. He may submit the agreement to Congress early next year, but that will require

When Young Americans Back Reagan They Make a Point Worth Pondering

WASHINGTON — The biggest surprise of this election year has been that young voters are going heavily for Ronald Reagan. This was redicted by almost no one except a few Reagan acolytes who were patted on the head and paid no further heed. As recently as six months ago the

Democrats were including young people on their list of target groups (blacks, Hispanics, women, etc.) for voter registration drives. But campuses and singles apartment complexes that once went for George Mclovern are now pro-Reagan.

This might not come as such a surprise if you think about Walter Polovchak. As a 12-year-old in 1980, Walter refused to go back to the Soviet Union with his parents. They had migrated to America, stayed seven months and decided to return. But Walter liked things a lot better in Chicago than in the Ukraine and wanted to stay. His parents sued.

Walter, helped by both the Carter and the Reagan administrations, has been able to string out the court cases. He lives on the northwest side of Chicago and looks forward to becomine a U.S. citizen next year. Walter Polovchak learned about

the United States in a flash in 1979 and 1980. Most new voters this year learned about America in a flash at just about the same time. Walter liked the America he saw. So did most young Americans, and they plan to vote for the candidate who best seems to share their feelings. What about youth's impulse to re-

bel against things as they are? Why aren't these young people rebelling?
The answer is that they are. Walter
Polovchak rebelled quite explicitly against parents who wanted to take him back to the Ukraine. And the new half-generation of voters are re-belling against the old politics. This rebellion has sometimes, not

least in Reagan campaign propagan-da, been shown as a rebellion against the Carter administration and Demo-cratic liberals. These new voters, it is said, have only really known two presidents, Mr. Carter and Mr. Reagan, and they prefer the latter. Perhaps. But what the young vot-

ers are rebelling against is not simply one man or his government; it is an attitude about politics and government and country, an attitude exhibited by both liberals and conservatives, politicians and ordinary people. There was extreme cynicism and

pessimism in the late 1970s. When pollsters asked Americans whether their country was going in the right direction or was on the wrong track, numbers on the order of 72 percent said "the wrong track." Politicians, reading such polls, echoed those feelings; the negative feelings echoed and reverberated year after year. Yet was the United States really in

such bad shape? As the young Americans of the late 1970s and early '80s looked around them, they saw, with more clarity than their elders, a country that was prosperous, generous, tolerant and at peace.

By Michael Barone

They heard liberals denouncing sexism and racism. But young women found themselves with all kinds of opportunities, and racial prejudice

seemed increasingly restricted.

They heard conservatives denouncing a nation growing weaker and going bankrupt. But the America

> These young people are rooting for the good guys.

they saw around them was unthreatened by war, had no draft and was obviously prosperous.

They heard civil libertarians talking of repression. But they found pornography, drugs, abortions to be freely — excessively — available.

The political dialogue of the late

1970s was written by operatives en-tranced with theories of alienation and malaise. From the tone of political debate, and from the lamentations of voters themselves, you might have thought that Americans were

living in the Central Europe of the 1930s. But to young Americans see-ing their country afresh, as Walter Polovchak did, this was not true. So the Polovchak generation has been rooting for America — in Gre-nada, at the Olympics and in the

Reagan campaign.
To some of their not-so-elders. who remember what can happen when patriotism is carried too far, this seems threatening and mindless. Yet who can deny that the United States is, despite its defects, in important ways morally preferable to the Soviet Union? These young people probably more than the ones who rooted for the Vietcong - are root-

ing for the good guys.

The Democrats had a chance in the Carter years to hitch a ride on the optimism and confidence that have followed the undue pessimism and negativism of the 1970s. They blew it. Now it is the turn of the Republicans and Mr. Reagan, a politician so opti-mistic he was singing this tune even when it did not ring true.

The members of the Vietnam-and-

Watergate generation --- the babyboom generation - should ponder the case of Walter Polovchak. Didn't he make the right choice? The Washington Post.



I said it looks as if that Reagan kid will win again.'

'Those Things Which Make a People Self-Respecting'

WASHINGTON — In the last days of the presidential election campaign, the bad news for the Democrats is that despite the debates and a massive registration drive, the polls indicate that President Rea-

gan's long lead is holding steady.

For the fourth presidential election in a row, the Democratic nominee has actually lost ground during the campaign. Walter Mondale came reasonably close to the president after the first debate, but after the second the president was leading by at least 12 points - about where he was before losing the first debate.

The Republicans had a particular-ly clumsy week. The president virtu-ally invited U.S. soldiers of fortune to join the war against the Nicaraguan government. Secretary of State Shultz proposed the use of U.S. military force against terrorists, even at the risk of killing innocent civilians. And 22 U.S. ambassadors broke the first rule in the diplomatic book by endorsing the re-election of Senator Jesse Helms of North Carolina. All this was against either law or custom, but the president moves blithely on.

The explanation is fairly obvious. The economy is acting as if it were run by the Republican National Committee. Inflation is down to about 4.5 percent. In the 1982 congressional elections, unemployment was running beyond 10 percent in 20 states now this is true of only four.

Mr. Reagan has been telling the people it is their destiny under his leadership to be proud, strong, prosBy James Reston

perous and at peace. While the plight life and the children's future. Even of the poor at home and abroad has been muffled in hypocrisy, he proclaims that the Republicans are the party of lower taxes and the Democrats the party that taxes the many to provide handouts for the few.

Mr. Mondale found his voice the other day and took a wholly different line: "We must bear one another's burdens," he said. "We must rejoice together, mourn together, labor and suffer together. We must be knit together by a bond of love. And so may it always be in America. Let's be a community, a family where we care for one another. Let us end this selfishness, this greed, this new championship of caring for yourself."
Mr. Mondale's fortunes are down,

but his crowds are up; these echoes from New Deal days are well received. But it is very late, and the evidence is that Reagan promises of personal well-being are closer to the national mood than is Mondale offers of mutual aid and sacrifice.

It seems that Mr. Reagan has not only accurately interpreted the pre-sent mood of self-indulgence and ac-quisitiveness, but has helped create it by his attacks on government and his pleasant fantasies about the future that he has helped burden with intolerable debt. The polls clearly indicate that a majority of the people are also living for the day and for themselves. But at the same time there is an underlying anxiety about national the president senses this from time to time and suggests we might remedy :! by abolishing abortion and having the children pray in the schools. This mood of drift and hallucina-

tion will pass, as it did at the end of

the 1920s. We see some hope in the

rising opposition to drug use, in the fight against drunk driving and abuse of wives and children, but it is probably not in time to help Mr. Mondale. The majority is sovereign, but not always right. There is a remnant, maybe even a large minority, that is not satisfied with contrived tricks-ortreats politics. As Walter Lippmann

wrote in the presidential campaign of 1932: "They are looking for new leaders, for men who are truthful and resolute and eloquent in the conviction that the American destiny is to he free and magnanimous, rather than complacent and acquative; they are looking for leaders who will talk to them not about two-car garages and a beaus but about their duty and about the sacrifices they must make, and about the discipline they must impose upon themselves. and about their responsibility to the world and to postenty; about all those things which make a people self-respecting serene and confident May they not look in vain."

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What Can Presidents Do?

By Eric Schwarz

WASHINGTON — President seem to say, is confusing enough Reagan espouses values that without having to grapple with the America's rightness abroad.

Why don't students adopt the world view of a Walter Mondale? One student told me he was "rebelling against the negativism" of campus liberals. Another said she wanted a "rest from the protests and confusion" of the past. I think some in my generation resent the "big picture" questions raised by the protests of earlier students. Our world, students

many young people want to believe morality of America's role in every in: economic progress, good jobs, country around the globe. We can, however, seek to control our own careers, and perhaps be confident that a good job will bring a measure of happiness. Other students I have met plan to

> vote for Mr. Reagan, even if they disagree with him on important asues, because the experience of recent years has convinced them that a peaident really cannot affect their lives all that much. Mr. Reagan, students reason, is at least a pleasant leader; so why vote for Mr. Mondale if he won't be able to do anything better?

> Jack Kennedy, your parents and teachers say, inspired people and tried to do great things. He was shot. In 1964 Lyndon Johnson ran on a peace platform telling the people his onent would endanger America lives. He got in office and escalated the Vietnam War, which cost the loss of thousands of American lives. -

Richard Nixon, like him or not, seemed to get a lot of things done, principally in foreign policy. He was thrown out of office for breaking the rules. His successor, Gerald Ford, appeared to do nothing. In 1976 Jimmy Carter was elected.

but no ustened to him. He seemed always to change his mind on what he wanted to do. When he did make a decision, he couldn't get it done.

Mr. Reagan was elected to shrink

the deficit and get the government out of people's hair. Now the deficit has tripled and he wants to further regulate alcohol, restrict the use of contraceptives and ban abortions. So he appears as just another politicism. albeit one with an alluring image. Mr. Reagan is called the most powerful man in the world but abortions are still legal, as they have been since today's students reached puberty, and I have never met a college student who couldn't get a drink. The message is simple: Presidents usually don't do what they say, and when they try to do what they say they

The writer graduated from the Utiversity of Vermont last June and worked in the campaign of Gary Hart during the summer. He contributed to comment to The Washington Post.

often don't succeed.

LETTERS

Poles Distrust Mondale

I have just returned from a 10-day stay in Poland. From Warsaw to Krakow, I was amazed to find that people I met from varied walks of life --- tani drivers, waiters, porters, students, a history professor, a university librarian, a curator at the National Museum - are praying for a Reagan victory. as they do not trust Waiter Mondale "let's be friends" attitude toward the Russians. One of those people, who had recently been to the United States, had begged his friends there not to vote for Mr. Mondale. People in Poland want Mr. Rea-

gan's re-election. They presumably have a better insight into the mind of their Russian masters than Walter Mondale and Geraldine Ferraro.

EMANUEL TARLOW

Home of Mozart's Barber

If Mozart's barber lived in Seville, as your Oct. 12 crossword chie seems to suggest, we may have the explanation for why our Wolfgang is generally portrayed wearing a wig. CHRISTOPHER WANKE YOL

Маттакска, Могоско.

The New York Times Endorses Mondale

WE are for Walter Mondale, even though Ronald Reagan has in some ways done a possibly be practical till far into the 21st century.

other zealots who sabotaged or flouted the laws to protect air, water and human health. good job. America, the president says with permissible hyperbole, is back and he deserves credit because the country feels so much better than it did four years ago. Mr. Reagan has a gift for symbolism and salesmanship; when he salutes the flag and the troops, he embodies a wide

renewal of pride in country. And there is more to it than just the persuasions of a patriotic pitchman. People feel better off because many people are better off. The oil shocks and hyper-inflation of the 1970s have been calmed. Unemployment, after soaring for months, has fallen back to the 1980 level. Real income is up. So why not re-elect the president?

For three reasons First, because of the way he has paid for our recovery, and for his popularity: with the pain of millions of people thrown out of work in the last four years and with the hundreds of billions of dollars government must borrow in the next four. Second, because much of the rest of his domes-tic program is repugnant. Mr. Reagan has punished the poor and retreated from civil rights. He

has, laudably, continued the deregulation begun by Jimmy Carter. But the same president who vows to get government off people's backs has recklessly pushed its nose into the most private realms of religion and family life. Finally, and most important, because Presi-

dent Reagan's diplomacy, mostly ineffective, has also been dangerous. Not only has he failed to stabilize the nuclear arms race but he has propelled it to new heights and he lacks any plausible strategy for regaining control. Walter Mondale has flaws. Until recent days

he so lacked fire as a campaigner that people called him "Norwegian wood." Mr. Mondale has lacked a theme; at times it seemed to be merely that he is Not Reagan. He is heavily indebted to labor and interest groups. His running mate is not as ready to be presi-

dent as is George Bush. Choosing Geraldine Ferraro as the first woman on a national ticket unleashed a welcome wave of energy. But it has also brought a backwash of troubling questions about her husband's dealings and associates.

Now consider Mr. Mondale's strengths. His

election would mean franker, fairer decisions on the hard economic choices that the president has concealed during the campaign. Mr. Mondale would offer an enlightened and humane conception of what government should, and should not, do. Most of all, he would bring to the White House the will to control nuclear weapons.

S O give Ronald Reagan due credit for what he has done from 1981 to 1984. The decision now should turn on who offers brighter promise for 1985 to 1988. In all three presidential categories, our choice is Walter Mondale.

What Mr. Reagan has pursued abroad is not a strategy but an unattainable slogan - "superiority." He has thrown dollars at defense without curbing military appetites for fancy, fragile technology. He has failed to harness either diplomacy or economic power to the quest for security. Recall how much energy was wasted just to undo the damage of his first year's quarrels with China, Israel and the European allies. In the Middle East Mr. Reagan remains mostly at the mercy of events. In Central America he awaits at best the diplomacy of others to shape his "no-lose" military exertions.

Committing to more than modest research is incredibly wasteful, as if President Wilson had vowed in 1919 to put a man in space.

Because of his lifelong opposition to arms control Mr. Reagan might have driven good bargains with the Russians. Yet, unlike every other president of the nuclear era, he lacks the conviction and dedicated personnel to achieve agreement, or even a good plan for achieving it. True, it takes two to negotiate, and the Krem-iin has had three leaders in four years. But

President Reagan, balking at past agreements, offered none of them any plausible new approach. Although he may finally be ready, as he says, to pursue accord he has, perhaps even unwittingly, ordered up weapons and appointed officials that obstruct the way. Walter Mondale believes in a sturdy defense.

He also stands in the middle of the bipartisan community that long ago learned to abandon the fruitless quest for nuclear superiority. In this election he represents all those Republicans and Democrats determined to tame the nuclear threat. Lawyer Mondale offers pragmatic skill at making the best of reality. Ideologue Reagan offers the same tenacity that has brought him out diplomatically empty-handed.

Who is likely to do better in arms negotiations in the next term, Walter Mondale or the president who tickles the religious right by reviling the Soviet Union as an Evil Empire?

O Henry Steele Commager, the historian, the 1983 speech in which Mr. Reagan described the Russians in that way was "the worst presidential speech in American history, and I've read them all" - not because it was undiplomatic but because "no other presidential speech has ever so flagrantly allied the government with religion. There was a gross appeal to religious prejudice." In such ways Mr. Reagan readily turns himself from a conservative libertarian into a statist. He perversely condemns as "intolerant" anyone who opposes organized school prayers. He continues to flog at abortion although it is barely a federal, let alone a presidential concern. Lately, Reagan Republicans have called this a matter of civil rights - of the unborn fetus. Would that their president were so attentive to the minority millions whom the civil rights laws were designed to protect. Not until the congres-

1982 bill renewing voting rights. There is every reason, therefore, to worry about potential Reagan appointments to the Supreme Court. Since five of its justices are 75 or older, the president elected this year is likely to leave a deep imprint. The last Roosevelt appointee to leave the court, William O. Douglas, did so in 1975, 30 years after FDR's death.

sional momentum was unstoppable could Mr.

Reagan finally bring himself to support even the

Mr. Reagan deserves credit for fastening the nation's attention on the need to restrain social spending. That fostered bipartisan collaboration on Social Security costs and commendable inno-vation in containing Medicare. But where has the administration concentrated its budget cutting? Not on swollen middle-class entitlements but on the famous social safety net for the poor. For example, one federal judge after another has had to order the administration to restore disability benefits to thousands of helpless people thrown out of the safety net. As for the environment, Mr. By pressing ahead with a "Star Wars" missile defense Mr. Reagan is forcing the arms race into written by James Watt and Anne Burford and

Mr. Mondale, son of a stern Minnesota minister, knows it is important for both church and state to maintain a respectful distance. He has stood for civil rights and liberties from his earli-est days in politics. He has championed individual and human rights, the right to a lawver or the right to be left alone by government. His interest in family addresses the public policy issue of day care, not the personal torment of abortion. N a 1981 impression of the president, Rich

I N a 1981 impression of the president, rates
Little, the comedian, explained Reaganomics,
"Let's suppose your mom baked a big blueberry pie," he said. The top half is for defense spend ing, the bottom half is for domestic programs -"and the other half is for the national debt." At the time it sounded merely comic. The

president was denouncing deficit spending at every turn. Why, he said, the national debt was equivalent to "a stack of \$1,000 bills 67 miles high." But since then, even while calling for a balanced budget amendment to the Constitu-tion, he has raised the stack another 40 miles. The huge Reagan deficits weigh heavily on the economies of other nations. They divert capital

away from poor countries, making development that much harder, and they put the United States in hock to the world. There is no reason to expect that in the next four years Mr. Reagan will keep the budget-balancing promise he has broken so dramatically in the last four.

Walter Mondale comes from the party that

invented deficit spending, but there is reason to think he would do better. It may have been a bravely candid act, or perhaps politically foolhardy, but he began his campaign in San Francis-co in July by declaring that he would, among other things, raise taxes to reduce the deficit. Unless most economists are crazy, the country cannot keep borrowing \$200 billion a year. Everyone knows that spending cuts cannot suffice. Everyone knows a tax increase is well-nigh inev-

itable. For all his feigned horror, Mr. Reagan knows it, too. The question is not whether there will be a tax increase but whether the burden will be distributed fairly. On the evidence of his first term, Mr. Reagan will soak the poor, favor the rich and throw more money at the Pentagon. HERE is another, less tangible standard for

I judging candidates for president: theatrical skill, the capacity to inspire. The hecklers who chant "Reagan, Reagan, he's no good - Send him back to Hollywood" are missing a crucial point. Salesmanship is a precious presidential asset, and Mr. Reagan has it. He is the master salesman, the Music Man, of American politics, Walter Mondale has all the dramatic flair of a trigonometry teacher. His Nordic upbringing

may have been the high point of his political personality. But there is power in his plainness. Precisely by not dramatizing issues he has consistently produced consensus and agreement. as a senator and as Jimmy Carter's vice president. And for all the talk about his vaciliation Mr. Mondale has grit. When knocked down, he does not blame his staff or his opponent's makeup. He gets up and starts swinging again.

makes it hard for him to brag. The first debate

Chances are that come Nov. 6, he will keep on doing the same, win or lose. As the man most likely to reduce the deficit, to spread burdens fairly and to control nuclear weapons, Walter Mondale deserves to win.

- THE NEW YORK TIMES.

By Henry A. Kissinger

U.S. Must Take the Lead in Revamping World Trade Policy

HE annual meeting of the International Monetary Fund and the World Bank in Washington dealt with a number of urgent current problems, focusing on international debt. There was a problems, focusing on international debt. There was a sense of optimism, but the decisive international sense of optimism, but the decisive international sense of optimism but the decision of the composition of the

my is global in nature, decisions affecting it are taken to other countries for as long as possible. on the basis of national domestic politics.

developed, the rules of the game were set by a very few countries that held similar philosophies and were run This is the fourth of 10 articles by the former U.S. by restricted suffrage. Governments acted on the premise that the economic sphere was beyond their power or even competence. The accumulation of capital was left to the operation of the market. The gold standard, to which all major trading nations subscribed, provided the mechanism of adjustment.

All this had the advantage of automaticity. Politicians could either accept the gold standard or reject it. But once that decision was made, they were forced to conform spending, taxing and monetary policies to its

None of those conditions exists today. Japan has long since joined the major economic powers. China, Brazil, India, Korea, Mexico and Indonesia, to name just a few, insist on participation in reshaping the rules that affect their economic destinies, and hence their

sense of optimism, but the decisive international ecothe economic policy levers in order to achieve immedinomic problem and the deepest cause of international disorder was hardly mentioned.

ate political goals. There is a premium on short-term approaches; leaders are tempted to defer action until This problem is that even though the world econo-

For the first time the world economy has become In the 19th century, when industrialization first truly international. At the same time, tax, spending,

secretary of state. The next will appear Nov. 19.

social employment, industrial and trade policies are insulated behind national borders even when these

decisions have global consequences. In these circumstances the international economic system operates - if at all - as crisis management.

The risk is, of course, that sooner or later some crisis will overwhelm the feeble national efforts to man it. The world will then face a disaster its lack of foresight will have made inevitable. The area of international trade illustrates these

HE professed objective of all trading nations is to remove political obstacles to trade, such as strategy. tariffs, subsidies and other predatory practices, Sulfrage in most economically important countries because in theory free trade benefits everybody. In has become universal; voting publics everywhere insist fact many nations pay lip service to free trade, but in

an interview in New York last week that the order would continue to be situations where it was "abso-

aid efforts for social justice in Latin lutely necessary to use the termin-

had an effective monopoly on industrialization and a large advantage in the generation of energy based on coal. There is no doubt that free trade benefits a country that enjoys such a comparative advantage. This state of affairs continued for a while after other European states industrialized. Cultural homogeneity prevented any country from achieving a unilateral advantage. Colonial empires cushioned the shock of

In our period, there are over 20 major trading nations. Their wage scales and cultural background are dissimilar. Some nations, especially in Europe, are unable to compete with substantially lower standards of living, at least in industries that use a great deal of labor. Thus whole sectors of industry move from one have two fundamental options. My strong preference country to another, indeed from one continent to another.

The management of the debt crisis also poses threats to free trade. A key provision of every adjust-ment program by the International Monetary Fund requires the debtor country to limit imports and to encourage exports. This evokes the very protectionist practices free trade theory deplores. Moreover, it is by definition impossible for every nation to pursue such a

The limitation of imports must be at somebody's expense, especially if coupled with the systematic promotion of exports. And to the extent the strategy works, and the debts are paid by export earnings, developing nations wind up transferring real resources to the industrialized ones, the precise opposite of what is needed for global development.

Two results are probable: Either the structure will collapse because there is simply not enough demand for the level of exports required by the developing world. Or these export surpluses will be sustained on a temporary basis by extremely unfavorable trade balances in a very few countries, especially by the United

The U.S. trade deficit is officially forecast to exceed \$120 billion this year, a level unimaginable until very recently. Such a situation will sooner or later drive the U.S. government to take protectionist steps. In short, protectionism, trade restraint and unfair policies are on the march everywhere,

A paradox follows from these considerations: for free trade to work, governments committed to it must to a degree retreat from complete laissez-faire. Just as the U.S. economy adopted measures to promote and regulate competition, such as antitrust and banking regulations, so international rules are needed to avoid monopolies, restrict dumping, inhibit export subsidies, eliminate predatory practices and prevent excessive uncertainties. Otherwise, the system will eventually collapse into trade wars and be overwhelmed by the political process.

To state these principles is to illustrate how far theory and practice diverge. In such circumstances one or the other must give way.

HE two opposite poles of international conduct are demonstrated by the two largest economic powers: the United States and Japan. The United States remains formally committed to free trade, but it lacks a coherent strategy to deal with protectionist and mercantilistic measures of other nations. Hence, in practice U.S. trade policy is a series of disconnected ad hoc decisions taken largely in re-sponse to the specific complaints of politically power-ful interests most directly affected. These are by definition usually the least competitive sectors. So long as

Japan has chosen the opposite course. It makes little pretense that its foreign economic policy is guided by the free play of market forces. Instead, the Japanese economy is geared to administer the trade system to the national advantage. Government ministries help establish industrial priorities, negotiate favorable terms for Japanese exports and manipulate the exchange rate for the yen to favor Japanese exports.

Japan is widely criticized for acting counter to existing economic theory. In fact, it is possible to argue that it is simply playing the de facto game more systematically and with greater coherence than any-

It follows that the United States, and the world, would be for a system of liberal trade firmly based on far-reaching national commitments to stop unfair practices and to maintain markets. This would require a major act of U.S. leadership.

In 1944 the United States threw its weight behind building international institutions that promoted growth for a generation. The spirit that produced the Bretton Woods agreements reflected the realization that in the long run the national welfare can only be

sought in the general welfare.
This means that new and binding international rules need to be established to encourage foreign invest-ment and to define codes of conduct for multinational corporations. These rules should apply as well to international trade in services and perhaps even to

immigration.

Something like The International Trade Organization, which was proposed by Bretton Woods but proved stillborn, should be revived. It should be given authority to act against restraints on trade and investment as well as predatory trade practices. The newly industrialized nations, like Brazil or Mexico, should be drawn into more active participation.

Such a policy should be pursued with conviction but also without illusion. Despite the best efforts of states-men, the attempt may fail. In that case, the United States cannot afford to be the only country practicing free trade in an increasingly mercantilistic world. If the United States is driven to it, the United States can. however rejuctantly, do well at the game of unilateral trade practices and bilateral agreements.

In a world of trading blocs, the United States should be able to construct a trading bloc composed of the major Latin American nations, Canada, and probably

Australia and New Zealand. Preparation for this partnership should influence U.S. trade and debt policy. especially toward the nations of the Western

At some point, the sheer weight of the United States, in cooperation with like-minded countries, managing its foreign trade interests with determina-tion and vision will probably convince the rest of the world - to put it politely - of the need for more coordinated trade and economic policies. The United States would then have achieved a more coherent world trading system by the back door.

Most of the American public still view the United States as being relatively unaffected by international economic developments. The United States must recognize the urgent need for a deliberate strategy. Otherwise chronic international instability will, in time,

undermine U.S. prosperity.

Dramatic U.S. leadership is required, preferably to promote a world of free trade. But if this proves unattainable, then it should organize itself for the

world of trading blocs. O 1984, Los Angeles Times Syndicate



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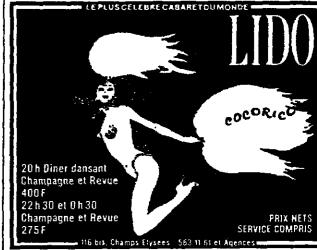
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WORLDWIDE ENTERTAINMENT



Continuing Battle for Social Justice Promised by Leader of Jesuit Order

By Kenneth A. Briggs New York Times Sernice NEW YORK — The head of the Jesuit order says he strongly sup-ports Latin American theologians and church workers who seek to promote social justice. He says the

liberation must be "recognized as possible and necessary." The Vatican recently criticized some elements of liberation theol- positive. ogy as relying too heavily on Marx-

Central and South America. The Reverend Peter-Hans Kol- social action by the church. venbach, chosen as superior gener-

teachings known as the theology of a second statment on the subject in the near future to be much more

Cardinal Agostino Casaroli, the ist analysis, but it affirmed the Vatican secretary of state, anchurch's fight against oppression in nounced last week that the coming statement would stress the need for

Father Kolvenbach, emphasizal of the Jesuits a year ago, said in ing that several variations of libera-

Managua Accuses CIA of Bribe Offer

Los Angeles Times Service ter Tomás Borge has charged that guan plans to obtain MiG fighter the CIA offered a Nicaraguan offi-planes, on military storage areas planning fraud in the Nov. 4 elec- ed.

The U.S. agency did not know that the official was a double agent for Nicaraguan intelligence "deliberately introduced into the ranks of the enemy," Mr. Borge said at a news conference Friday.

According to Mr. Borge, the ministration has recommended agent, Horacio Arguello Carazo, that the drug Depo-Provera, an inworked as legal adviser to the Fi- jectable contraceptive that is effecwhen he was approached by officials of an unidentified European in the United States.

be one of those whose works were being called into question by the country, "officials who were linked of the United States.

He was asked for information on MANAGUA - Interior Minis- Sandinist leaders, on any Nicara-

WASHINGTON - An advisory board to the Food and Drug Ad-

more than 80 other countries.

cial \$3,000 a month to defect and to and on the Soviet and Cuban presaccuse the Sandinist government of ence in Nicaragua, Mr. Borge add-

New York Times Service

nance Ministry at the end of 1982, tive for at least three months, not

America. ology of Marxistu to Conditions.

The 55-year-old superior general cial and economic conditions.

As an example, he said: "You have need a superince a The 55-year-one superior general expressed some disappointment with what he described as negative cannot say you should never use a term like the 'struggle of class.' It's something that exists."
Use of such terms, however,

"should not be done with a Marxist interpretation but with a Christian one," Father Kolvenbach said. Marxist concepts such as class warfare and historical materialism cannot be used to justify Christian ac-

tion, he said.

The Jesuits have proclaimed a joint mission of faith and justice. Many have taken a leading role in advancing theologies of liberation, which attempt to apply church teachings to the problems of social justice in Latin America. Father Kolvenbach said nuns,

priests and others pressing for so-cial justice could find ample warrant for their actions in recent Roman Catholic Church teachings. Though Jesuits have drawn fire for their increasing social activism.
Father Kolvenbach said emphati-

cally that the order would continue on its social mission. The Vatican's faulting of aspects of liberation theology came just days before one of its leading proponents, the Reverend Leonardo Boff of Brazil, was questioned in Rome by the Congregation of the

Doctrine of the Faith. Father Boff was understood to The drug, manufactured by the document, but no action has yet to the Central Intelligence Agency Upjohn Co., currently is used in been taken against the Franciscan friar.

Civil Trial for Argentine Junta New York Times Service

BUENOS AIRES — Nine for-mer leaders in Argentine military governments accused of murder and torture will be tried in a civilian court but under the military code of justice, the chief judge, Jorge Torlasco, said last week.

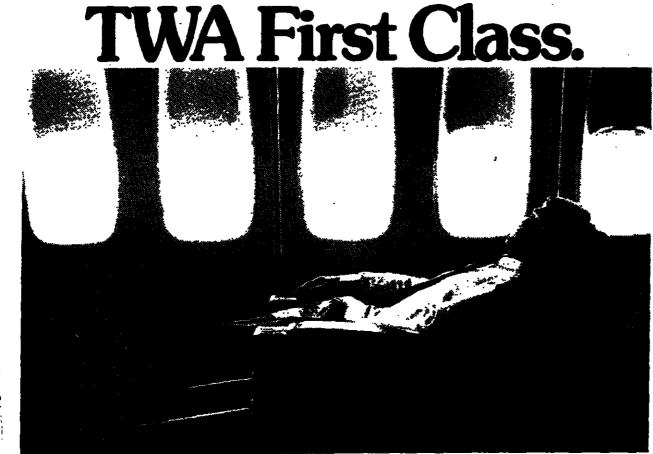


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Morgan Guaranty Ltd

Morgan Stanley International

Orion Royal Bank Limited

Salomon Brothers International Limited

Swiss Bank Corporation International Limited

Ueberseebank AG

Union Bank of Switzerland (Securities) Limited

Ôctober . 1984

\$250,000,000

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Zero Coupon Notes due August 15, 2004

Goldman Sachs International Corp.

Nomura International Limited

Morgan Guaranty Ltd

Crédit Lyonnais

Algemene Bank Nederland N.V.

BankAmerica Capital Markets Group

Chase Manhattan Capital Markets Group

Chemical Bank International Limited

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Осюbет. 1984

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\$5,059,050,000

Student Loan Marketing Association

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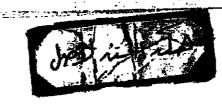
Zero Coupon Notes due 2022

Goldman, Sachs & Co.

Daiwa Securities America Inc.

The Nikko Securities Co.

Nomura Securities International, Inc.



EUROBONDS

Supply Outstrips Demand But New Issues Launched

By CARL GEWIRTZ

International Herald Tribune ARIS - Supply of new dollar issues ran ahead of demand in the Eurobond market last week. But bankers, convinced the setback was only a pause to be expected after the recent big rally, continued to launch new issues.

The turn in investors' mood was triggered by late Thursday's news of a \$1.8-billion rise in the U.S. money supply — a figure that was larger than many analysts had expected — and a warning from Salomon Brothers economist Henry Kaufman that the current drop in interest rates is only a "pleasant interlude . . . that will eventually succumb both to the underlying pressures in the economy and to related

Eurobond Yields

For Week Ended Oct. 24
U.S.S is term, int'l inst.
U.S.S ions term, ind.
U.S.S medium term, ind.
U.S.S medium term, ind.
Can.S medium term
Yen is term, int'l inst.
ECU short term
ECU short term
ECU short term
ECU long term
ELA long term
FLx ig term, int'l inst.
FLx medium term
Calculated by the Luxembours
change.

Market Turnover

For Week Ended Oct. 26 (Millions of U.S. Dallers)

Cedel 10,459,1 8,521,2 1,937,9 Euroclear 20,476,4 18,849,2 1,627,2

financial developments. The market reaction itself was testimony to the prevailing mood of uncertainty. Has the Federal Reserve finished easing policy, which has trig-gered the month-long bond market rally, or will it resume after next week's election? And almost as important, are oil prices headed lower as nearly everyone was predict-ing a week ago, or will OPEC succeed in pushing the price back to its former level as seemed possible at week's

The only thing that was certain last week was that doubts about the future obviously did not disturb invest-

ment bankers. Their inventory of paper had been run down during the rally so they have plenty of room to take on new stock. In addition, doing so is ever more profitable as short-term interest rates (the cost of financing bond holdings) are dropping faster than long- or medium-term rates (the income received from

such holdings). Investor uncertainty about the future drift of interest rates was evident in the new rush to buy floating-rate notes, whose coupons are periodically readjusted to reflect money-market conditions, and by the waning enthusiasm to buy warrants, which are options to buy fixed-coupon securities.

HE warrant market consists of three parts: an issue of fixed-coupon securities, the warrants attached to them, and the fixed-income securities which the warrants can buy. Bankers admit confidentially that the current price of

warrants is too high — interest rates would have to fall signifi-cantly for the price paid to exercise the option to be attractive. At the same time, demand is drying up for the original, or so-called host issue. Usually, after the warrant has been stripped away to trade separately, the value of the host issue falls to a discount. Bargain hunters then move in to buy that paper, looking to lock in a sure capital gain when the issue is redeemed at par or an even bigger capital gain if, before maturity, rates tumble and the price of the bond climbs.

But the potential capital gains to be made have now become severely restricted due to some newly coined fine printing in the prospectuses. In effect, the host issue is to be redeemed in lock

(Continued on Page 11, Col. 1)

GM, UAW **Have Pact** In Canada

Tentative Accord Differs From U.S.

By John Holusha

er York Times Service TORONTO — Bargainers for General Motors of Canada and the United Auto Workers have reached a tentative agreement on a new contract after 31 hours of continuous bargaining

The accord Saturday afternoon came after 10 days of a strike by the 36,000 Canadian workers that led to more than 40,000 layoffs in the United States because of shortages of parts.

The Canadian agreement differs from the one recently ratified by GM workers in the United States. The Canadians will receive wage increases in each year of the threeyear contract, in contrast to the lump-sum payments in the second and third years under the union-GM agreement in the United States. However, the Canadian pact does not contain the job secu-rity and profit-sharing provisions of the U.S. contract.

Robert White, director of the Canadian UAW, said the agree-ment "recognizes Canadian realities." He said ratification votes throughout the country were sched-uled for Monday, indicating that Canadian factories could resume production on Tuesday if the agreement is approved by the mion membership

But a spokesman for GM in Detroit said last week he was not sure how long it would take to get U.S. factories operating once again.

In the negotiations, the union demanded increases in the base wage rate and the company insisted on lump-sum payments. Mr. White said the key compromise that settled the difference was an agree-ment to put most of the raises into the cost-of-living adjustment.

Canadian workers will get a scaled wage increase of 1 to 3 percent in the first year, for an average of about 214 percent, he said. This is in addition to increases in cost-of-

Chicago Pacific Chief Leads Firm Into \$1.6-Billion Fight for Textron

By Steven Greenhouse New York Times Service
CHICAGO — For the third time in five years, Harvey Kap-nick, the chairman of Chicago Pacific Corp., finds himself in the middle of a light.

The last two times, he was en gaged in intramural battles, and he ended up getting ousted. In this battle, however, he is leading Chicago Pacific in an effort to acquire Textron Inc., a larger and much better known company, for almost \$1.6 billion.

Mr. Kapnick, 59, who became Chicago Pacific's chairman last June when it emerged from the reorganization of the bankrupt Rock Island Railroad, said he hoped that his company's \$43-ashare offer would go forward "in a united and cooperative way."
But Textron, the industrial conglomerate based in Providence, Rhode Island, has called the offer "completely unacceptable."

"I don't know anyone who likes a fight, but he is not one to shy away from them," said Duane Kullberg, chairman and chief executive officer of Arthur Andersen & Co., the major Chicago-based accounting firm.

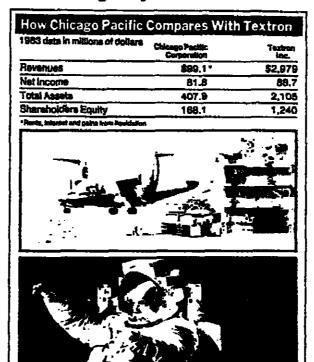
Mr. Kapnick held that same

position at Arthur Andersen from 1970 to 1979 and shepherded its growth from 9,000 employees to 18,000. He fought with the Securities and Exchange Com-mission, pushed the accounting profession to reform its rules, made Andersen the first accounting firm to disclose its own finances, and set up a "public review board" of prominent outsiders to monitor Andersen's op-

erations.

Some critics and competitors disparaged his initiatives as mostly public relations, but no one ever accused Mr. Kapnick of being dull. "He's a real dynamo; he's not always right, but he's never in doubt." Russell E. Palmer, dean of the Wharton School, said, At the time, Mr. Palmer headed Touche Ross & Co., a rival accounting company.

Mr. Kapnick's tenure at Andersen was cut short, however after he argued that a conflict of interest existed when an accounting firm did both manage-ment consulting and auditing. In



for the manned maneuvering pack used by astronauts,

Textron manufactures Bell helicopters and components

sharp disagreement with many of the firm's partners, he vigorously urged that the firm spin off its consulting practice. The partners ousted him in 1979.

"I'd describe him as a very aggressive, very strong-willed in-dividual, who, once committed to an object, is very tenacious

about seeing it through," Mr. Kullberg said. Mr. Kullberg praised Mr. Kapnick's managment in ex-panding the company's opera-tions overseas, but several people who worked with Mr. Kapnick said his "hard-charging" style had alienated too many of Andersen's partners.

His second big fight occurred in early 1980, soon after A. Robert Abboud, then chairman of First Chicago Corp., the bank holding company, appointed Mr. Kapnick deputy chairman. The two men often clashed and this

led finally to the departure of both. Nevertheless, Mr. Abboud says of Mr. Kapnick, "I have a high regard for his abilities."

Textron's management knows it has to dig in hard to resist Chicago Pacific's overtures. Textron, which makes Bell helicopters, Bostitch staplers, Home-lite chain saws and Jacobsen lawn mowers, has retained Morgan Stanley & Co. for advice. It has also hired Skadden, Arps. Slate, Meagher & Flom, a New York law firm expert at anti-takeover

strategems.
Chicago Pacific, whose assets total \$300 million in cash and several hundred miles of railroad track and land, is being ambitious in seeking to take over Tex-tron, with \$2.1 billion in assets. "My ultimate goal right now," Mr. Kapnick said, "is to see a transaction with Textron, and to

(Continued on Page 11, Col. 4)

OPEC Ministers Split on Output, Price Structure

By Bob Hagerty International Heroid Technol

GENEVA - Oil ministers from the Organization of Petroleum Exporting Countries open a meeting here Monday with differing views on how to prop up oil prices.

The disagreement centers on price "differentials" and, to a lesser extent, the size of planned cuts in

OPEC's market-monitoring and, as expected, recommended a cut in production. But the four-member committee did not specify the extent of the proposed reduc-

Ministers from all 13 OPEC countries, joined by observers from Egypt and Mexico, are scheduled to begin a "consultative" meeting Monday. OPEC, which supplies about 40 percent of the oil consumed in the non-Communist countries, hopes a temporary cut in production will reverse the recent

decline in prices. The oil market, which has been weak since last spring, was joited two weeks ago when Norway, which is not an OPEC member, acknowledged that it had reduced its prices by about \$1.50 a barrel. Britain, also outside the OPEC fold, responded with a cut of \$1.35 on most of its crudes. That move in turn prompted Nigeria to reduce its prices by as much as \$2 a barrel without waiting for approval from

its OPEC partners. The price cuts reflected weak demand for high-quality light crudes. The premium that buyers are willing to pay for such crudes has shrunk in recent years because improved refining methods allow re-finers to make better use of cheaper heavy crudes.

This change in demand has left OPEC's official prices for light crudes too high in relation to the prices for heavy crudes. Under the clined to say whether a solution official price structure, for in- was likely at the current meeting. stance. Arab heavy crude is sup-posed to sell for \$3 less than Arab light.

differential would be around \$1.50. To sell their light crudes, OPEC

countries have resorted to various veiled discounts from official

Alluding to such unofficial discounts, Nigeria's oil minister. Tam David-West, suggested at a news conference Sunday that his country was merely being open about price cuts that other OPEC states disguise. "This is a cross you have to carry: being honest," Mr. David-

Other OPEC ministers pointed committee met Sunday evening to the difficulty of agreeing on a and, as expected, recommended a new range of official prices. If the gap between light and heavy crudes were narrowed, the producers of heavy crude would find their cil harder to sell. In addition, market demand for various grades of crudes fluctuates, making it diffi-

cult to set any rigid price list Oil Munsters Subroto of Indone sia and Belkacem Nabi of Alcena both said they did not believe OPEC should try to solve the prob lem at this meeting. Instead, Mr. Subroto said, the priority should be on cutting production and pushing all prices up, allowing OPEC to maintain its benchmark price of \$29 a barrel for Arab light crude

But Mana Said al-Oteiba, the oil minister of the United Arab Emirates, said that action on the priming problem was "part of the deal" planned by OPEC ministers.

The UAE has had trouble seiling its light crudes and has threatened to trim prices unilaterally if OPEC does not readjust the official prices. "I am coming [to Geneva] with

my problem of differentials and it has to be solved, and if there is no solution I will solve it myself when I go home," Mr. Oterba said Mr. Oterba, as chairman of the

market commuttee, said it was recommending that this week's conference "deal with the differentials and find the right solution." Mr Subroto later agreed that the issue should be addressed, but he de The other major question is how far to cut production.

Saudi Arabia, which is expected Oil traders say a more realistic to bear the lion's share of the cut, has said it favors a modest reduc (Continued on Page 21, Col. 5)

U.S. Growth Slowdown Raises Recession Worries

By John M. Berry

Washington Past Service
WASHINGTON — The pace of another recession

So far, virtually all of them are still betting that a recession is not in the cards for the next few quarters, but their worries are growing. After a glowing first half of 1984, in which the gross national product grew at an 8,6 percent annual rate. after adjustment for inflation, things suddenly turned sour.

Everyone had expected somehat slower growth in the second half of the year. Indeed, the Federal Reserve deliberately tightened its monetary policy stance last spring precisely to cool off the exsion, which its policy-makers thought was so strong that it would generate higher inflation before

for clues about where the economy year.

hardly changed from the second.

Retail sales last month were only shightly higher than the month were only. slightly higher than they were at the

two years.

Forecasts for GNP growth this quarter range from about a 2 percent rate all the way up to 5 percent, an unusually wide spread for a quarter already under way. GNP measures the total value of goods

healthy clip, it will not be enough to offset the slowing expected in the slowing expected in the slowing expected in the growth rate.

healthy clip, it will not be enough to offset the slowing expected in the growth rate.

Mr. Greenspan, more optimistic that their pent-up demands than most forecasters, expects real GNP to be up 4.3 percent in 1985 and 3.3 percent the following year.

Some industries have risen to unwanted levels relative to sales. As a result, it is unlikely that inventories will be accumulated at as fast a rate that their pent-up demands that offset the slowing expected in the growth rate.

Mr. Greenspan, more optimistic and GNP to be up 4.3 percent in 1985 and 3.3 percent the following year.

and services, including income

from foreign investments. There is much more agreement the economic expansion has slowed that inflation, which despite the so dramatically this fall that fore- rapid economic expansion has not

Kellner continued. slowed somewhat, will slow some forecasting firm. casters suddenly are asking themselves whether the slower growth
will turn into something worse—
up a little next year.

accelerated very much, will remain
more; this, too, will cut into growth
of consumer spending. And of
who occasionally has been wrong,
course, a good part of these deMr. Greenspan hedged his bets.

> Fundamentally, forecasters don't see an imminent slowed sharply but then re-accelerated, he added, "This is not to say that in retrospect the current perirecession because there are few of the usual economic imbalances that usually lead to one.

there will be more very slow quar-

For instance, economist Irwin bing.

But few, if any, forecasters had counted on such a decisive turn toward slower growth and they are pouring over all the latest economic the first quarter of 1985. But then he shows GNP rising at only about a 1 percent rate for the remainder of 1985, a growth rate so low that they some in the Reagan administration, continue to believe that business cycle peak. Short-term pouring over all the latest economic the unemployment rate would growth hardly will be disministrative the forest less than they are the followed the continue of next they are the followed the continue to believe that they are the followed the continue of next they are the followed they are the followed the continue of next they are the followed they are the followed they are they are

tial increase in personal consumption spending in September, the average for the whole quarter was average for the whole quarter was average for the whole quarter was a lost during the recession of who are the discrete whole quarter was a lost during the recession of who are the discrete whole quarter was a lost of the discrete whole quarter whole quarter was a lost of the discrete whole quarter whole q

who think GNP growth will re-merchandise while the dollar rebound this quarter expect that mains strong, there will be more very slow quar"The point to remember is that ters sometime in 1985.

as long as inflation and inventories remain modest, neither the Federal Kellner of Manufacturers Hanover
Trust Co. has just issued a new step on the brakes. Thus, the curnormally associated with a busiforecast putting growth at 4.6 per-cent this quarter and 3.1 percent in op into a recession — at least not

pouring over all the latest economic the unemployment rate would growth hardly will be diminished and long-term rates have both been statistics, examining every nuance grow by the fourth quarter of next year. The official forecast is falling recently as the Federal Refor 4 percent real growth during serve eased its pressure on the "The reasons for this slowdown 1985, but there is still some pres-banking system and the economy Consumers suddenly became so in growth stem from its composi-cautious that even with a substan-tion," Mr. Kellner explained, "This ure, perhaps as much as 5.5 per-History is on the side of those

half 1980. span of Townsend-Greenspan & their inventories as part of their "Now the torch is being passed Co. told his clients recently that strong effort to keep control of end of 1983 and industrial produc- to business, and while corporate most post-World War II slowtion fell for the first time in nearly expenditures should rise at a downs were not the beginning of a two years.

| Sales in the third quarter, stocks in two years. | Sales in the third quarter, stocks in the sales in the third quarter, stocks in the sales in the third quarter.

difficult for them to buy housing That contrasts with Mr. Kellner's and other big-ticket items," Mr. 1.5 percent prediction for 1985. which in turn is very similar to that "Job creation, which has already from Data Resources Inc., another

Even some of those economists mands will be met by imported After recalling episodes in 1955, 1962, 1966 and 1976 when growth od will not prove to be the begin-

nings of a recession."
Fundamentally, the forecasters
do not see an imminent recession because there are few of the usual economic imbalances that usually lead to one. There are few, if any shortages of labor or materials. The use of existing production capacity fell in September and by all assess-ments remains well below the levels ness cycle peak.

Nor have short-term interest cooled. Mortgage interest rates have softened less, but while housing starts have come down, they

have not collapsed. Businesses generally have been keeping a close eye on the level of costs. With the unexpected drop in

Tradition SA

wants to thank its customers for their welcome to the

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the new interbank money market instrument

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and for their contribution to the fast development of the market

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Currency Rates

Late interbank rates on Oct. 26, excluding fees.

Amsterdam Brusselica) Franktust London (b) Millan Mew York (c) Paris Tokyo Zorich 1 ECU 1 SDR	\$ 3.4725 61.265 1.036 1.2202 1.884 00 9.315 245.50 2.4885 0.7355	£ 4 182 74.68 3 7675 ———————————————————————————————————	D.M. F. *. H.L. Gide*. B.F. S.F. Two
1 Cu Equiy Cu 8.84 Austroi	s schilling in franc in S krone mork	9.81624 Per U.S.\$ 1 1797 61 70 1 3175 10 965 6.1765 124 15 7 505	Dollar Values Security U.S.S. Equiv. U.S.S. U.S.S. Equiv. U.S.S. U.S.S. Equiv. U.S.S. U

fol Commercial franc (b) Amounts needed to buy one pound (c) Amil Units of 160 (a) Units of 1,000 (v) Units of 16,000 RQ : not quoted; 16,A : not available

Late interbank rates on Oct. 26 , excluding tees. Official fivings for Amsterdam, Brussels, Milan, Paris. New York rates at 4 P.M. EDT. Will Show Profit in 1984

GENEVA - World airlines will show a profit after interest pay-ments this year, the first since 1978, according to the International Air Transport Association's annual re-

Net profit also is likely in 1985 and 1986, although margins will be "wafer thin and extremely sensitive even to slight changes," according to the report, scheduled for release Monday.

is still not earning nearly enough fully to cover all costs including fleet and other equipment relacement," said the association report, in the world," the report said. which forecast 1984 after-interest

said, the carriers should see combined profits in 1985 and 1986 of \$1.5 billion and \$1.7 billion respec-

especially in the United States have created increased work and expense for airlines, the report said. IATA also renewed its call for tougher action by governments

"It is vital that all governments recognize that it is in their own which no safe harbor without se-

The report was issued by IATA's profit of approximately \$1.2 billion director general, Knut Hammar-for its 124 member airlines. director general, Knut Hammar-skjold, for 40th annual general If traffic growth continues, it meeting in Montreal.

IATA Says World Airlines

Liberalization and deregulation, against hijackers.

"The airline industry as a whole interests to create a climate in available to the hijacker anywhere

U.S. \$1,000,000,000

This announcement appears as a matter of record only and is not an offer to sell, or a solicitation of offers to purchase, any of these securities.

United States of America

11%% Foreign – Targeted Treasury Notes due September 30, 1988

of which

U.S. \$281,000,000

was allocated to a bidding syndicate headed by Credit Suisse First Boston Limited and comprised of the following institutions:

Credit Suisse First Boston Limited

Arab Banking Corporation (ABC)

Banque Nationale de Paris

Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft

Hambros Bank Limited

Lehman Brothers International Shearson Lehman/American Express Inc.

LTCB International Limited

Banque Bruxelles Lambert S.A.

Enskilda Securities Skandinaviska Enskilda Limited

Great Pacific Capital S.A.

Kidder, Peabody International Limited

Lloyds Bank International Limited

Euro

U.S. \$1,000,000,000

United States of America

11%% Foreign – Targeted Treasury Notes due September 30, 1988

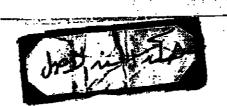
Market-makers

Reuters Page: CSFT

Credit Suisse First Boston Group

The First Boston Corporation **London Branch**

22 Bishopsgate, London EC2N 4BQ Telephone: (C1) 283 4200 Telex: 892131



Until this month issuers ran that risk: The host issue was callable only at the time the warrants expired, usually in three, four or five argue that reward of a slightly highyears time. But now Nippon Credit Bank, the French state railway SNCF and Westpac Banking which last week each sold \$100 million of debt securities bearing fiveyear warrants to buy other debt securities - followed the lead set by Denmark a week earlier in linking retirement of the original debt

warrants are exercised immediate-

to the exercise of the warrants. Denmark's trailblazing action gave it the right to redeem \$5 million of the host issue with each \$5 million of warrants exercised meaning that it ran the risk of having no more than \$104.99 million principal outstanding at any time. Last week, encouraged by the market's failure to react unfavorably to this development. Nippon Credit. SNCF and Westpac cut the threshold to \$1 million — meaning they risk not to have more than \$100.99 million outstanding.
These premature redemptions

are made at a premium, in most cases of 1 percent - meaning a \$1,000 security is redeemed for \$1,010. Westpac has shaved this a bit, setting a premium of 1 percent for the first three years, % percent for the fourth year and 4 percent for the fifth year (at which time it also has the right to redeem the entire host issue at par).

From the lead managers' point of view, this is a terrific attraction for investors. An ex-warrant bond

Belgrade Forecasts Surplus BELGRADE — Yugoslavia expects a \$1.25-billion current account surplus next year, compared with an anticipated \$730-million surplus this year, according local press reports. The figures were contained in a draft economic development plan agreed by the government on Friday.

		•••						By Carl Gewinz	In the longer end of the market
Issuer	Amount (millions)	Mat.	Coup %	- Price	Yield at offer	Price end week	Terms	International Herald Tribune PARIS — The European Currency Unit is rapidly coming into its own internationally as a growing	Efim, one of Italy's state holding company's, this week will market a 10-year loan of 250 million ECU with interest set at 14-point over the interbank offered rate for the first
FLOATING RATE N	OTES							number of financial operations are being transacted in the composite	year, %-point over for the next five
Allied Irish Banks	\$100	perpt	1/4	100	_	98.80	Over 6-month Libor, Missimum coupon 5%% for first 10 years. Callable at par on any interest payment date after 1990, Fees 1%, Denamentors \$10,000.	unit of European Community cur- rencies. In a move to help develop an	years and ½-point over for the final four years. Another Italian agency, Crediop,
Export-Import Bank at Korea	\$ 50	1994	14	100	_	98.10		ECU money market, the European Investment Bank last week sold 100 million ECU (\$70 million) of one-	SYNDICATED LOANS
Italy	\$1,000	1994	1/9	100	_	99.86		and three-month notes aiming to provide banks or their clients with instruments that the bank hopes will mobilize short-term utilization	year loan of 50 million ECU and £25 million. Interest on both components will be set at 1/4-point over
Malaysia	\$600	2009	%	100		99.18		of the unit. The notes are offered only to banks, in minimum amounts of 1	the interbank offered rate for the first 5½ years and ½-point over for the remainder.
Spain	\$500	1999	½	100	_	99.40	Over 6-month Libor. Minimum coupon 54%. Call- cible at par on any interest payment date after 1985. Fees 0.45%. Denominations \$10,000.	million units. The EIB said it is willing to tailor its program to the needs of commercial banks and is	In the dollar market, activity re- mains focused on the sale of prom- issory notes. The EIB is making its
Standard Bank Import-Export Finance	\$ 75	1991	1/4	100	_	_	Over 6-month Libor. Minimu coupon 54%. Redeemable at par in 1990, and callable at par on any interest payment date after 1985. Fees 114%. Denominations \$10,000.	ready to sell paper for maturities of up to six months. EIB officials said that much greater liquidity would be needed in developing the short-	first foray into this market, asking banks to underwrite the sale of \$250 million worth of notes during a 10-year period. Banks will be a
Sweden	\$500	1999	libid	_	_	99.18	Interest pegged to 6-month rate for Eurodolfars. Redeemable at par in 1989 and 1990. Solid by tender. Denominations \$10,000. Terms to be set Oct. 31.	term market and it therefore hopes commercial banks and other insti- tutions will follow its lead. TAP, Portugal's state-owned air-	an annual underwriting fee of 1/16 percent. If the EIB is forced to draw on the banks for the credit, it will pay very thin fees ranging from
Banque Indosuez	£ 85	1991	1/6	100	_	99.70	Over 3-month Libor. Winimum coupon 514%, Non- collable. Fees 0.35%.	line, is seeking to raise 47 million ECU through the sale of promis- sory notes. The operation is to run	15 basis points over Libor for the first five years, 20 basis points for the next two years and 25 basis
Banque Indosuez	0.20	12 mos	_	\$20	_	\$14	Each warrant is exercisable at par into a \$1,000 note of company's noncollable 12%s of 1991.	for five years but holders can ex-	points in the final three years.
FIXED-COUPON	-	_		•				tend it for two years if they desire. Interest on the three-month notes	BAT Industries, meanwhile, has set a new low in borrowing costs
Chrysler Financial	\$150	1994	13¼	100%	13.20	98.63	Redeemable of par in 1989 and 1991. Increased from \$100 million.	will be based on the interbank bid rate and underwriters will be invit-	through the novel structure of its \$300-million credit facility. BAT
Coca Cola	\$100	1988	11%	103.60	_	101.60	Noncallable. Each \$5,000 note with one warrant exercisable at par into a \$5,000 note of company's noncallable 114s of 1991. Bonds ended the week at 98.38 and warrants at \$32%.	ed to submit bids for pricing the notes, which will be at a discount from par. TAP will pay underwrit- ers an annual fee of 27½ basis	will sell either short-term Euron- otes or commercial paper in New York but is asking banks to provide a back-up line of credit of only \$60
Hokkaido Electric Power	\$ 50	1989	121/9	100	121/1	98.7 5	Nonçailable.	points.	million — the minimum amount it
Nippon Credit Bank Finance	\$100	1992	12%	103%	-	103	Collable at 101 by \$1 million segments as warrants are exercised, and at par in 1990. Payable Jan. 31. Each \$5,000 note with five 5-yr warrants, each exercisable at par into a \$1,000 note of company's noncollable 12%s of 1992. Bonds ended the week at 99 and warrants at \$41.	Prices of Bor	
Ralston Purina	\$100	1994	12	98	12.36	95.88	Callable at par in 1989, 18% payable on subscrip- tion and balance in May 1985.	On Fear of T	igiu Creau
Ralston Purina	0.10	1989	_	\$40	_	\$36	Each lat of 5 warrants is exercisable at par into a \$5,000 note of company's 12% bands of 1996, callable at par in 1994 and at 102 anytime if less than \$10 million worth of warrants are exercised.	By Gary Klott New York Times Service NEW YORK — The credit mar- kets continued to weaken last week	ing to recent declines in other mon- ey market rates. Earlier last week, sharp price gains and lower rates in the bond
Saskatchewan	\$100	1989	11%	100	11%	97.88	Noncollable.	amid growing indications the Fed-	market were fueled by a perception
SNCF	\$100	1992	1 2%	104.10	_	102.23	Collable at 101 as warrants are exercised. Each \$1,000 note with one 5-yr warrant exercised at par into a \$1,000 note of company's noncollable 12%s of 1992. Bands ended the week at 97.75 and warrants at \$44%.	eral Reserve is not willing to ease its rein on credit as much as many traders thought. Following Thursday's sharp price declines, bond prices fell	held by many analysis that the Fechad loosened its tight rein on credit in an effort to prevent the recent slowdown in economic activity from developing into a recession.
Suncor	\$ 75	1991	12%	100	12%	98.38	Callable at par m 1990.	again and yields edged higher on Friday, when there was additional	This view was supported by signs that the Fed was accommodating a
Westpac Banking	\$100	1992	12%	103.80	_	101.50	Callable at 101 in 1988, 100% in 1989 and 100% in 1990 by \$1 million segments as warrants for exercised, and at par in 1990. Psychible Jan. 31. Each \$5,000 note with five 5-yr warrants, each exercisable at par into a \$1,000 note of company's noncallable 12% of 1992. Bands ended the week at 98 and warrants at \$35.	U.S. CREDIT MARKETS selling by portfolio managers and securities dealers who sought to lock in profits from the strong	Fed funds rate in the 9 percent to 9% percent range. Mr. Sullivan said the move in the rate back toward the 10-percent level was interpreted as an indication the "market probably was overoptimisti" early last
World Bank	\$150	1994	121/4	100	12¼	98.25	Noncolebie.	bond market rally.	week as to how far the Fed was
European Community	DM 100	1996	7½	100	71/2	99,75	First collable at 102 in 1992.	Long-term Treasury bonds on Friday fell a half-point and short-	willing to ease. Edward Yardeni, director of eco-
World Bank	ECU 125	1989	10%	100%	10.20	100	Noncollable.	term interest rates rose as much as	nomics and fixed-income research
World Bank	€CU 75	1994	10%	100	10%	99.88	First collable at 101 in 1990.	a quarter of a point. A rise in the federal funds rate	at Prudential-Bache Securities, at- tributed the weakness in the bond
British Columbia	cs 100	1991	1214	100	12¼		Noncollable.	back toward the 10-percent level on Friday clearly disappointed traders	market more to an eagerness by
Ottawa-Carleton	, cs 30	1994	121/2	100	12%	99	Noncallable.	who were already moderating their	traders to cash in gains from the recent market rally than to any ma-
Commonwealth Bank of Australia	Aus\$ 35	1989	12%	100	12%	98.13	Noncolloble.	earlier assessments of the extent of Fed easing after the release Thurs- day of the weekly Federal Reserve	jor reassessment of the Fed's pos- ture.
Zealand Finance	NZS 20/25	1991	16¼	ореп		-	Redeemable at par in 1989, Terms to be set Oct. 31.	data. The data showed a \$1.8-bil- lion rise in the basic money supply,	In the Treasury bill market on Friday, rates on three- and six- month bills rose slightly less than
EQUITY-LINKED								slightly higher than some firms had	one-tenth of a point, with the three-
Hazama Gumi	\$ 50	1989	open	100	_		Coupon indicated at 9%%. Noncollable, Each \$5,000 note with one warrant exercisable into \$5,000 worth of company's shares at an anticipated 25% premium. Terms to be set Oct. 29.	ply. "All of it dispelled the notion	month bill bid at 9.35 percent, up from 9.27 percent. Other short-term rates rose more steeply, catching up with the sharp
Viacom In'i	\$ 50	1999	open	100	_	_	Coupon indicated at 7½-8%. Collable at 106 in 1990. Convertible at an anticipated 16-20% premium. Terms to be set Nov. 8.	that was beginning to build that the Fed was embarking on a significant accommodation," said William V.	rise of Treasury rates on Thursday. Yields on bank certificates of de- posit rose nearly a quarter of a point with three-month certificates
LUADDALITE									

New Eurobond Issues

Eurobond Supply Outstrips Demand

bought today at say 98 might be sury with their placing power, but redeemed at 101 next year, giving so far investor demand has been redeemed at 101 next year, giving an investor a 3 percent windfall capital gain. In addition, a spokesman for Morgan Stanley, which pioneered the idea, says the coupons on the host issues it managed debt if interest rates tumble and the (all but SNCF, whose coupons were widely regarded as aggressively low) are about a quarter percentage point more generous than they would otherwise have needed to be. its international placement.

But the critics, who are many. er coupon does not adequately compensate for the effective ceiling put on the price of the bond in the secondary market.

They complain that if the warrants are being exercised it means that interest rates have tumbled sharply — and that should mean that the price of the host issue (which usually has a higher coupon than the security purchased by the warrant) should soar. But it won't, the critics contend, at least not beyond 101 out of fear that the paper will be called at that price.

Nippon Credit (widely regarded as the most attractive of the lot with a coupon of 12% percent on the host issue and 12% percent on the warrant bond) and Westpac both have another feature - delayed payment, due on Jan. 30. This is designed to appeal to investors eager to speculate on an im-pending decline in interest rates and, for non-dollar investors to speculate on the foreign exchange

Coca-Cola. by contrast, did not have to worry about paying interest on \$200 million of debt when it only wanted \$100 million since the coupon on both the four-year host issue and the seven-year warrant bonds bear a low coupon of 11% percent. The magic of the name and the assumed value of the warrants, sold at \$36 each, made the low coupon possible. But assuming the warrants never get converted, Coke will have paid an eye-pop-ping one percentage point less for

banks eager to impress the Trea- pon of 12% percent.

slower than expected and the notes ended the week down I point at 98.27. The yield on the foreign notes was almost identical to the vield set on the paper sold at home. but due to the fact that interest there is paid semi-annually and here annually, the Treasury saved an estimated \$3.5 million a year on

\$36½ Each warrant is exercisable at par into a \$1,000 note of company's noncollable 12½ of 1994.

In the floating-rate market, Sweden invited banks to bid next week on terms for \$500 million of 15year notes that holders can opt to redeem after five or 10 years. Morgan Guaranty Ltd. has guaranteed a price to Sweden, which was not revealed, establishing the maximum cost the borrower will pay. Banks wanting paper must submit their proposals to Morgan's commercial banking parent, acting as trustee and at arm's length away from the merchant bank. The coupon will be tied to the London

interbank bid rate. Meanwhile, Italy (seeking \$1 biltion). Malaysia (\$600 million) and Spain (\$500 million) sold FRNs at rates that established new borrowing-cost lows for them in the international market. Italy, with interest set at 1/2-point over the mean of the bid-offered rate and commissions of 141/2 basis points, paid 9.2 basis points over the London interbank offered rate (the most widely used base rate) for five years (the first

put option). Malaysia, with interest set at %point over Libor and commissions of 95 basis points, paid 22 basis points over Libor to the first put option in 10 years. Spain, paying interest of 4-point over Libor and fees of 65 basis points, paid 16.8 basis points over Libor for its 15year money. The terms were viewed as very aggressive.

The same comment was made about the new level set on the Canadian dollar offerings, where British Columbia set a coupon of 121/4 its four-year money than the U.S. percent on 100 million dollars of Treasury.

The Treasury issued its \$1-billion of four-year notes targeted for foreign investors of 10-year bonds. Ditto for foreign investors at an average the Commonwealth Bank of Ausyield of 11.41 percent. There was traile's 35 million Australian do-very active bidding for the issue by

European Investment Bank Sells 100 Million ECU of Notes

Earlier on Friday, traders were

banks to 12 percent and the Fed's 11.77 percent.

buoyed by a half-point reduction in

the prime rate by several major

failure to drain reserves from the

But these were not enough to

offset disapponument that the Fed was willing to allow the Fed funds

rate to move higher. The Fed funds rate, which reached as high as 9%

percent, traded at 9% percent most

of the day, up from 915 percent late

Thursday. The prime rate reduc-

tion was of little supprise to traders

who saw the banks as merely react-

banking system.

SYNDICATED LOANS

needs to back up the sale of notes in the New York market.

cent if the managers are obliged to 15 basis points and a commitment take the notes for two consecutive fee of 5/16 percent will be paid if

Banks will be paid a commit-ment fee of 10 basis points for providing the credit and will earn 4-point over Libor if the credit is drawn, but no fees will be paid on

the note facility
Elders IXL Ltd., the Australian conglomerate, last week formally began soliciting support for its five-year, \$500-million commercial paper-Euronote facility. The sale of commercial paper will be backed by letters of credit supplied by by letters of credit supplied by Chase and the Bank of Tokyo which will give the Elders paper the top credit rating in the New York market. The Euronotes, by con-trast, will be issued solely on the

credit of Elders. In addition, the commercial paper will likely be sold for shorter maturities than the Euronotes. Thus, the yields on the paper will

not be strictly comparable. The maximum yield on the Europotes is set at 15 basis points over Libor and a tender panel will bid for these. No more than \$300 million will be raised through the sale of Euronotes and banks will be earn an annual facility fee of 10 basis points.

Commercial Credit Corp., a unit of Control Data Corp. of the Unit-BAT Industries, meanwhile, has ed States, is planning to raise \$75 set a new low in borrowing costs million through the sale of Euronwill be based on the interbank bid through the novel structure of its otes. The operation will run for rate and underwriters will be invit- \$300-million credit facility. BAT three years, but can be extended will sell either short-term Euron- another two years if lenders wish. otes or commercial paper in New The maximum rate on the notes is York but is asking banks to provide 1/4 point over Libor. Banks will be ers an annual fee of 27½ basis a back-up line of credit of only \$60 paid an annual facility fee of 3/16 million - the minimum amount it percent, which can rise to 1/4 per-

China Posts

periods.

In other words, if Commercial Credit draws on the underwriting banks they will earn up to 1/2-point over Libor. In addition, front-end commissions total up to ¼ percent.

S&L in the United States, is arrang- over Libor. This compares to the 12ing a \$50-million, three-year credit point margin paid on the previous with interest set at %-point over loan, which had a maturity of only Libor. Front-end fees range up to eight years.

none of the loan is drawn and % percent if it is partially used.

In Asia, Thailand is canceling an undrawn \$300-million loan arranged in 1981 and replacing it ommissions total up to 4 percent. with a new and less expensive \$300-million, 10-year loan. Interest on Loan of California, the fifth largest the new loan will be set at 4-point



FOR UNBIASED ADVICE ON AIR FARES THERE IS NO

Wider Deficit

The Associated Press

BEIJING - China's foreign trade deficit widened 500 percent Earlier last week, sharp price to \$420 million in September from gains and lower rates in the bond August, according to the state Sta-August, according to the state Statistical Bureau.

held by many analysts that the Fed had loosened its tight rein on credit Imports totaled \$2.6 billion, and exports totaled \$2.18 billion during in an effort to prevent the recent the month. The September deficit slowdown in economic activity compared with a August shortfall from developing into a recession. of \$70 million.

This view was supported by signs However, for the first nine that the Fed was accommodating a months of the year, China's trade Fed funds rate in the 9 percent to balance remained in surplus, with 91/2 percent range. Mr. Sullivan said exports of \$18.8 billion and imports of \$18.5 billion, the bureau reported Saturday.

as an indication the "market prob-It blamed the wider September ably was overoptimisti" early last week as to how far the Fed was deficit on increased imports of raw materials such as tumber, paper pulp, chemical fibers and iron ore. Edward Yardeni, director of eco-However, grain imports in the first nine months fell 3.04 million tons nomics and fixed-income research at Prudential-Bache Securities, at-A rise in the federal funds rate tributed the weakness in the bond, from the year-earlier level to 7.76

back toward the 10-percent level on market more to an eagerness by million. Machinery and electrical appli-Friday clearly disappointed traders to cash in gains from the who were already moderating their recent market rally than to any manage accounted for more than 30 earlier assessments of the extent of jor reassessment of the Fed's pos- percent of exports, the bureau said.

data. The data showed a \$1.8-bil- Friday, rates on three- and six- Banks in Hong Kong, lion rise in the basic money supply, month bills rose slightly less than slightly higher than some firms had forecast. The data also showed that Singapore Cut Prime

HONG KONG -- Hongkong & "All of it dispelled the notion steeply, catching up with the sharp Shanghai Banking Corp. and Chartered Bank cut their prime rate one percentage point to 12 percent, effective Monday, the Association of Banks said Saturday.

accommodation," said William V.
Sullivan Jr. director of money market research at Dean Witter Reynbid in the secondary market at 9% Separately, five banks in Singa-pore announced Saturday that they will will cut their prime lending rates, effective Monday, by 1/2 of a Treasury bond due in 2014 fell a percentage point. This will leave quarter-point to about 106, to yield rates ranging from 91/2 percent to 10

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Chicago Pacific Makes Offer

(Continued from Page 9)

take Textron and continue to build it into one of the great industrial organizations in the world."

Since Chicago Pacific emerged from the nine-year-long reorgani-zation of bankrupt Chicago, Rock Island & Pacific Railroad Co. four months ago, Mr. Kapnick has been seraching for companies to acquire with its \$300 million kitty. That sum was left after William M. Gibbons, the bankruptcy trustee, sold off 4,000 miles (6,464 kilometers) of the railroad's tracks.

"We had a lot of money on hands, and we were interested in using it to buy a company. said Thomas G. Ayers, a Chicago Pacific board member.

One reason Mr. Kapnick is so eager to acquire a company is that Chicago Pacific has \$60 million in tax losses that can be carried forward to a profitable company. Mr. Kapnick said shareholders would gain because the \$43-a-share offer exceeds Textron share prices. On Friday, Textron's shares closed at \$37 on the New York Stock Exchange, down \$2 from Thursday.

Mr. Kapnick said of Texron. They have some excellent compa-

Gold Options (price in 5/cc.). Non Feb. May G-H-708 TO 1007 Valeurs White Weld S.A. nies that could be made into core businesses." He told shareholders in July that he wanted to acquire 'core' businesses with leading or potentially leading positions in their industries.

The benchmark 12.5 percent

. 5.50 %

.10.16 %

9.67 %

U.S. Consumer Rates For Week Ended Oct. 26

Passbook Savinas

Tax Exempt Bonds Bond Buyer 20-Bond Inc

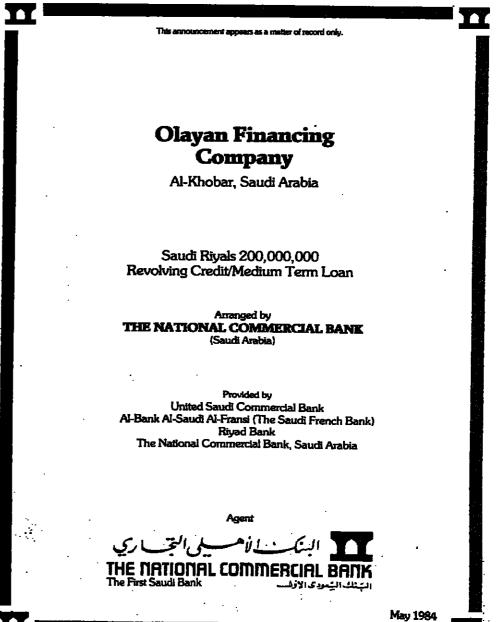
mey Market Funds Rogbue's 7-Day Average

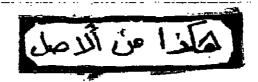
He said he accepted the invitation of Lester Crown, who is a Chicago Pacific board member and whose family owns 10 percent of its stock, to become the company's chairman because "I have never seen an opportunity quite like this one." He added: "This company starts out with a new set of directors, new management and with close to \$300 million in cash, and all the debts have been paid."

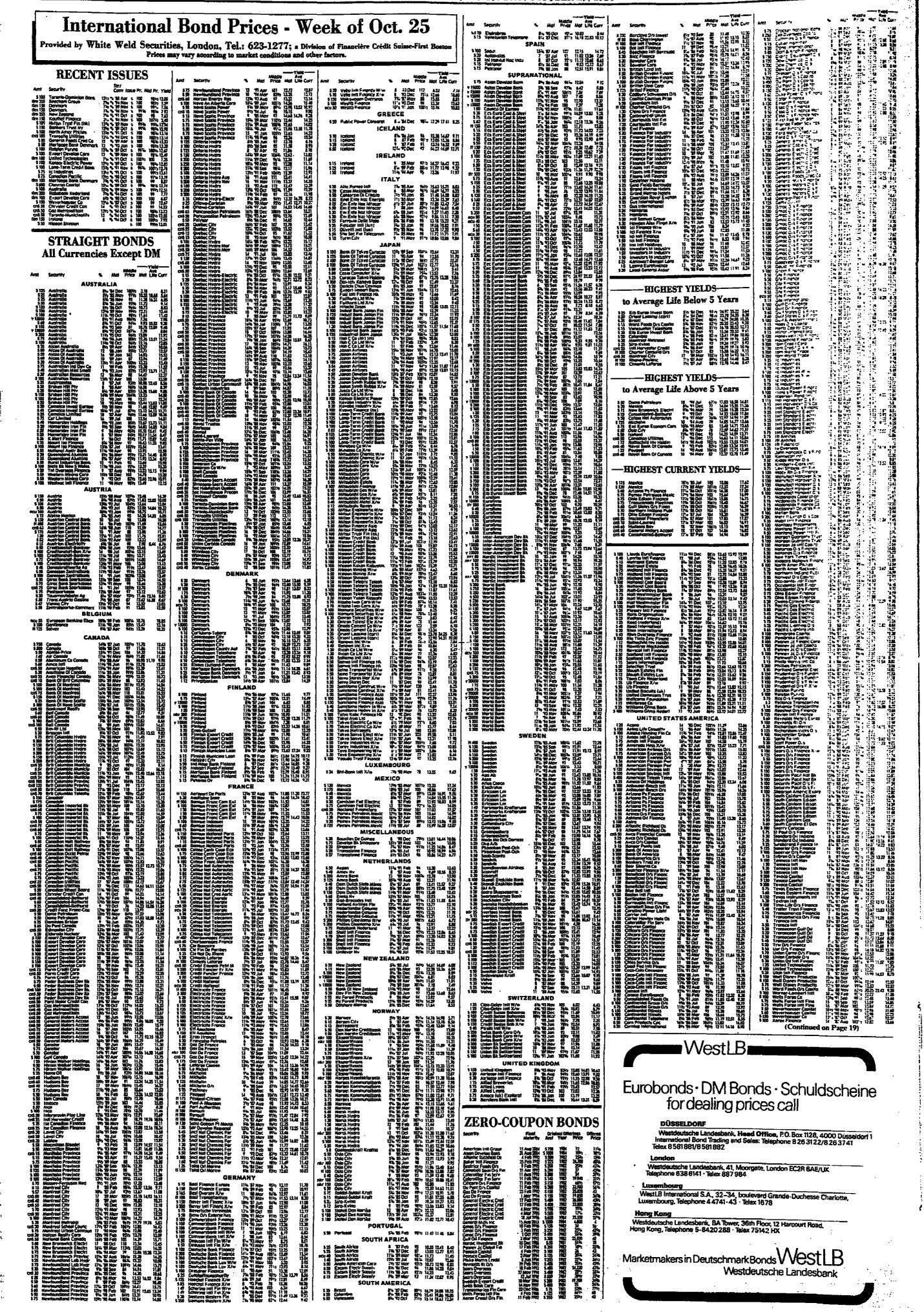
Although he has never manage an industrial company before, Mr. Kapnick said his years of poring over books and managing thou-sands of employees at Arthur An-dersen and his year of high finance at First Chicago have prepared him for managing Textron. As for talk that his company's bid for Textron would produce a competing bid by another suitor, Mr. Kapnick said: "It's all rumors. I have no idea of what's going on in that area."

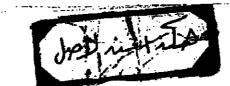
Richardson Savings & Loan Bank and Trust Company Cayman Islands, West Indies 180 Day Eurodeposit \$100,000 U.S.

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Banks Competing For Loan Clients In Wider Market

By Erika Folkes

BANKERS in Austria have a difficult situation to confront this year. After catering to the financial needs of both the government and their prime private customers for many years, they find themselves in a strange sination — instead of profiting from a flourishing bond market they have to be glad to lend money to the state on a short-term basis.

Moreover, their best clients have resorted to a form of finance hitherto

mknown in Austria: industry clearing.

The actual figures on these newly discovered direct lending operations between insurance companies and private industries can only be guessed. Karl Pale, chairman of Girozentrale, the second largest Austrian bank, estimated a business volume of 20 billion to 30 billion schillings.

If he is right, then at least one-third of what was placed on the domestic bond market last year has been provided this year by nonbank institu-tions. With issues of 70.4 billion schillings, last year recorded the highest volume in postwar years. So far this year, a total of 18.4 billion schillings

has been assued.

The reasons for the sudden collapse of the Austrian capital market are manifold: There is a pronounced shrinking of personal income, coupled with a higher inflation rate (currently 5.6 percent), as well as dwindling demand by investors, who seem to prefer the more attractive interest rates of the dollar and other currencies.

The final blow, bankers believe, came with the introduction of a new The final blow, bankers believe, came with the introduction of a new withholding tax at the beginning of this year on the yield of newly issued schilling bonds, which has to be paid by local and foreign investors alike. Since buyers of foreign bonds are tax-exempt, it was natural that Austrian investors started to look abroad. Between the end of last year and February 1984, Eurobonds have been bought for an estimated 10 billion schillings, thus avoiding withholding tax.

The recent developments among the major banks in the fixed-interest market have hit all major issuing banks:

Creditanstalt. Austria's largest bank (1983 balance sheet total was

• Creditanstalt, Austria's largest bank (1983 balance sheet total was 300.9 billion schillings), a joint-stock company, in which the government has a 60-percent share. It controls 10 percent of the country's private

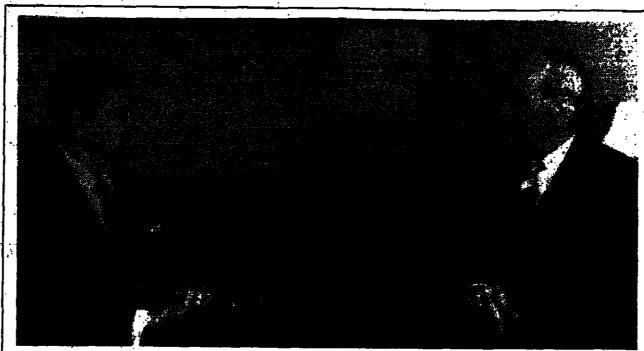
Girozentrale, the central institution of the Austrian savings bank (1983 balance sheet total: 213.2 billion schillings), with a market of roughly one-third of all deposits.

Osterreichische Länderbank (1983: 160.1 billion schillings), a joint-stock company, also backed by the state.

 GZB Vienna, a rapidly growing central institute of the farmers' cooperatives, "Raiffeisen" (1983: 123.5 billion schillings). The blow to the capital market has not, however, crippled the banks' activities in other fields. In particular, Creditanstalt and Girozentrale were well prepared for the sudden demand in Eurobonds. In the last few years they have become much sought after as lead managers in the

Girozentrale's recent performance is impressive. According to Institu-tional Investor magazine, the bank is ranked 57th in Eurobond issues for the first half of 1984. It is the sole Austrian bank mentioned.

By mid-September, Girozentrale had placed 50 issues (compared with (Continued on Page 15)



Austrian President Rudolf Kirchschlaeger at the White House with President Ronald Reagan in February.





Chancellor Fred Sinowatz

The Coalition: A Fresh Look For a New Era

By Lucian O. Meysels

WHEN the Nationalrat, Austria's parliament, reconvened for its autumn session, the government bench had a decidedly new look. At the end of August, when most politicians were on vacation, Chancellor Fred Sinowatz, who heads a coalition of the Socialist Party and the small. liberal Freedom Party, announced the most dramatic reshuffle in Aus-

tria's postwar history of a cabinet actually in office.

The chancellor himself had been in office only since last year's general elections and the subsequent retirement of a fellow Socialist, Bruno Kreisky, who had dominated Austrian politics since 1970.

Mr. Sinowatz replaced four ministers, all from his party. Later a fifth

cabinet member had to be replaced, when the minister of education and culture, Helmut Zilk, was elected mayor of Vienna, in the place of Leopold Gratz, who went to the Foreign Ministry as part of the reshuffle. The reshuffle went far beyond the change of five ministers. In practice, it represented a clean break with the Kreisky era and signaled that Mr. Sinowatz was now head of government in his own right. Until then, he had been on shaky ground: The coalition talks with the Freedom Party had not been conducted by Mr. Sinowatz but by Mr. Kreisky. The outgoing chancellor had also exerted a decisive influence in the choice of the Socialist ministers in the new cabinet, making stire that his stalwarts their key jobs. A majority of Kreisky, many hour and hear applicant

kept their key jobs. A majority of Kreisky's men have now been replaced. The key figure in the new cabinet is a freshman, Finance Minister Franz Vranitzky, formerly director general of Austria's second largest bank, the Landerbank, which is state-owned. The choice of a specialist rather than a politician was regarded as proof that Mr. Sinowatz wanted to give top priority to financial and economic matters — a move long regarded as overdue by leading Austrian economics. Although the country is not badly off by West European standards — with inflation at 5.6 percent and unemployment at 4.8 percent — economic difficulties have been mounting during the last year. The national debt has reached a record 455 billion schillings (one-third of it in foreign loans) and the budget deficit hovers just under 100 billion schillings. The balance of trade improved slightly during August but still amounts to 9 billion schillings.

During Mr. Kreisky's tenure, these developments were not regarded as dramatic. He had gone on record with a rather offhand declaration that he would not worry about an increase in national debt if unemployment was kept down. And his finance minister, Herbert Salcher, had carefully

adhered to a similar line.

Mr. Vranitzky evidently takes a different view. In his first public statements as minister he underscored the need for strict economies, although he has yet to produce a definite program. He has announced his intention to "demolish" one of the symbolic pillars of his predecessor's tax policy: the 7-percent withholding tax, a levy of interest paid on savings, local bonds and loans.

This tax, unpopular from the beginning, is believed to have been one of the main causes for the losses suffered by the Socialist Party at the last election. And its consequences have been negative: Austrians lost interest

(Continued on Next Page)

Profits for State Industries Are Proving Illusory

By David Hermges

AT THE end of the third quarter of the year, he holding company for all state enterprises in Austria, Oe. I.A.G., announced that it would only" need 10 billion schillings in 1984 to alance its books. The news was greeted by ustrians with mixed feelings of relief and skep-

Since the original sum envisaged had been l.6 billion schillings, there were certainly some rounds for rejoicing. In past years, however, milar optimistic predictions from nationalized ustry have proved illusory.

In February 1982, Heribert Apfalter, director neral of VOEST-Alpine, said in Linz that he as confident that his group, which had slipped nously into the red, would break even before e year was out and would start to show a profit 1983. Instead, the projected loss for VOEST-lpine in 1984 is 3 billion schillings, with the aly saving grace being the fact that this figure down 500 million schillings from the original

Nationalized industry in Austria employs early 102,000 people, more than 70 of whom re on the payroll of VOEST-Alpine, making it he country's largest employer. It is going brough a fundamental restructuring process. In be late 1970s, the group's turnover was concen-tated to 50 percent in the iron and steel sectors, in this proportion has now dropped (with sing overall sales) to 20 percent, compared ith 80 percent of other products and services. s Mr. Apfalter explained last month, it is vestment in this major switch, triggered by the ternational crisis in the steel industry, that has pt the company struggling to make ends meet The upshot is that VOEST-Alpine in 1985

il look completely different from the VA of 75," Mr Apfalter said. "Up until the mid-70s, the world was in order. We undertook

regroup in a very, very short time, closing down old works ruthlessly and pouring money into research and development in a way that had not seemed necessary earlier. In old-fashioned steel and machine-construction you could count on the construction from the construction Nowadays you can come up with something new, and in a mere five years it is "out" and no one will look at it any more. You have got to

This is what the company is now striving for.

In addition to its hard core of steel, major divisions cover processing (such as the seamless oil-pipeline center at Krieglach), finished produced the content of the con oil-pipeline center at Krieglach), finished products (for mechanical engineering and shipbuilding) and industrial plant construction.

Less than a year ago a new subsidiary, VAMED, was called into being to supervise the completion of the vast new Vienna General Hospital, a project that is not expected to be fully completed until 1992 and will cost a total (at 1983 prices) of 37.8 billion schillings.

In the electronics field a joint customized microchip venture in Styria with American Microsystems Inc. has begun, and only this month there was news that VOEST-Alpine had landed the biggest contract ever awarded in Europe by

there was news that VOEST-Alpine had landed the biggest contract ever awarded in Europe by International Business Machines. It is for the production of multilayer printed circuits to a value of 3.4 billion schillings at another plant in the same southern Austrian province. And, as a wholly owned subsidiary, VOEST-Alpine Intertrading (VAIT) has become Aus-tria's largest trading house (specializing in coun-tertrade arrangements) so that it is, for instance, one of the world's major oil-handling firms. one of the world's major oil-handling firms.
VAIT has benefited greatly from Austria's geographical position as well as from the country's neutrality, which gives it freedom of movement

on international markets. Also with headquarters in Vienna is Chemie-

routine developments and improved existing Linz, the country's second-largest nationalized products. Then the crisis hit us and we had to industry. Since the early 1970s it, too, has under-

nothing much changing for 10 to 12 years. growing chemicals sales worldwide and after many years of deficit "should be able to return a positive balance for 1984," according to Rich-ard Kirchweger, the company's director general. He added, however, that this is "assuming the

U.S. dollar retains its strength until the end of the year," since exports have been shooting up recently.

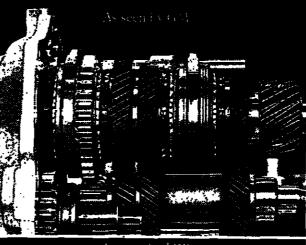
The big worry is the rising price of natural gas, which Chemic-Linz uses — 500 million cubic meters per year — as a raw material rather than as a source of energy. Environmental obligations are costing a lot of money. A total of 420 million schillings is being invested in building a gations are costing a lot of money. A total of 420 million schillings is being invested in building a pollution-free plant for nitric acid, and an undetermined but "considerable sum" will be needed for the safe disposal of an estimated 200 tons of poisonous production residuals from the former trichloric phenot plant, said a company spokesman, Ernst-Friedrich Stahl. A liquid chemical process developed by Chemic-Linz itself for disposing of the waste products is expected to be

disposing of the waste products is expected to be approved soon.

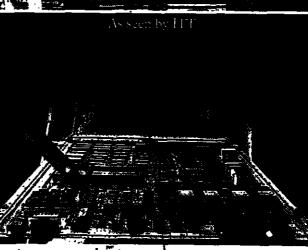
Meanwhile, Austria's second largest chemicals company, Treibacher, continues to lead a quiet but continuously successful life in the southernmost province of Carinthia. Treibacher, a private company, has 1,400 employees and annual sales of 3.5 billion. Its chemical province of the province of t and annual sales of 5.5 button. Its chemical-metallurgical intermediary products (250 tons of them daily) are for the most part as unspec-tacular as they are essential for many everyday utensils — ballpoint pens, spanner and stain-less-steel cutlery, dentists' drills. "Gran-Alloys" is Treibacher's trademark for

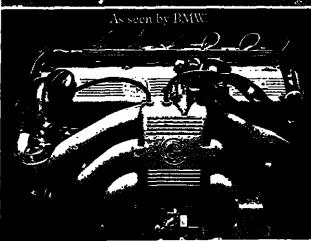
(Continued on Page 16)

JF AUSTRIA









By Richard Bassett FEW COUNTRIES enjoy as much cultural prestige as Austria. For a country of fewer than 8 million inhabitants, it has few rivals for achievements in the arts. More than I million people visit the country each year for concerts and opera performances alone. The Salzburg Festival, the Vienna State Opera, Haydn in Eisenstadt, Bruckner in Linz. There are times when it seems that any composer of note was either born here or, like

Brahms, Richard Strauss and Beethoven, became honorary citizens by Such illustrious ancestry means that some of the greatest music ever conceived is lovingly nurtured, and sometimes sublimely performed, in Austria. To hear the Vienna Philharmonic rise to the rich score of an opera by Richard Strauss is to experience a performance as definitive as it is thrilling; to hear the same orchestra attempt, say,

Achievement in the Arts

Dominates National Life

Stravinsky's "Rite of Spring," however, is rather like attempting to drive down a highway with the handbrake on. The discomfort experienced by the listener is surpassed only by that so clearly suffered by the performers.

The very richness of the Austrian tradition means that people with catholic tastes that fall outside the familiar names of the classics will rarely be satisfied. It is an embarrassing but undeniable fact that no opera by Benjamin Britten has ever been performed in the Vienna State Opera. The works of Stravinsky or Tippett, acclaimed through-out the rest of the world as masterpieces of the 20th century, have no place in the Vienna repertory. Although the 1984 Salzburg Festival bravely gave the world premiere of Luciano Berio's "Un re in ascolto," its subsequent transfer to Vienna, albeit for only a couple of

(Continued on Next Page)



Dancer Fanny Elssler, the first Viennese artist to embark on an international career, in an artist's version of her famous Cachucha dance.

These four market leaders have at least one thing in common: Austria. They looked behind the dazzling scenery to find a choice manufacturing opportunity in the highly industrial heart of Europe.

Together, these four companies have an investment of one billion dollars in Austria, producing state-ofthe art engines, transmissions, integrated circuits and telecom equipment.

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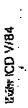
Philips and Siemens – have established extensive facilities in Austria

Austria, second only to Japan in growth of GNP, productivity and export sales, offers German quality and efficiency at 30 percent lower production costs. Skilled labor with virtually no strikes. A centralized location offering duty-free access to all European markets. All adding up to Europe's most promising return on investment opportunity.

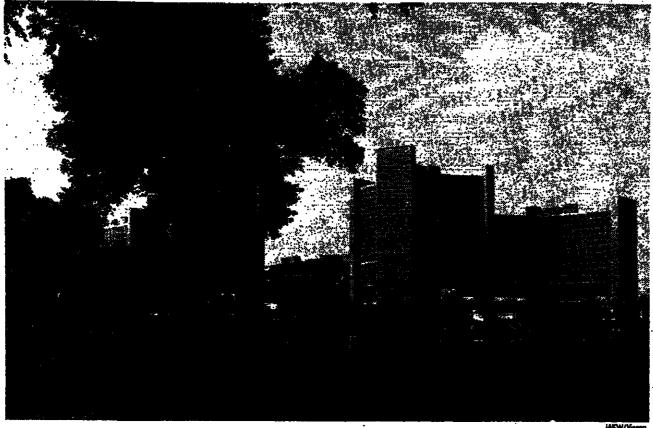
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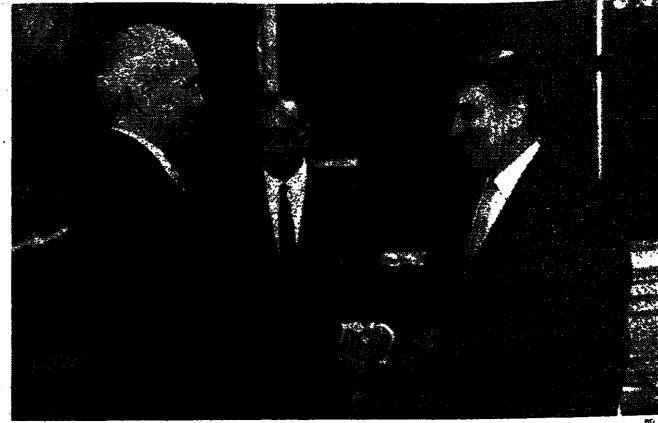
Come see the sites.



A SPECIAL REPORT ON AUSTRIA



Vienna's International Center, which was opened in 1979, is the seat of United Nations organizations in the capital.



From left, President Rudolf Kirchschlaeger, Chancellor Fred Sinowatz and Vienna Mayor Helmut Zilk.

Achievement in the Arts, Past and Present, Dominates National Life

nights, left the Viennese opera lover with little desire to explore further the uncharted depths of moderne Musik.

This notorious conservatism is a definite advantage for anyone unacquainted with the works of Richard Strauss and Mozart Few cities can offer almost every Strauss op-era in one season, together with the usual array of Verdi and Donizetti evenings. Fewer still are able to boast an orchestra in the pit that plays Mozart as finely as the Vien-

But conservatism can breed complacency, which, if unchecked. soon leads to a lowering of standards even in the performances of favorite works. Thus, an orchestra that rarely faces the challenge of 20th-century music is quickly bored by the predictable rhythms of bel canto. A chorus sheltered from the demanding but effective able to redress the balance of the writing of Britten or Stravinsky easily loses interest after four performances a week of the same Donizetti work. Add a second-division cast and an uninspired conductor and even "The Magic Flute" can sound tacky.

ure available in other countries usually only to civil servants. Hireand-fire methods of organizing or-chestras are unheard of. As a result, there is no pool of freelance players permanently striving to raise standards so that they can be em-ployed. A curious side effect of this security is the almost complete demise of amateur chamber music in Austria. The days when every dentist in Vienna was a cello virtuoso ing arts that has declined is the and every university professor a

Singers, like all musicians, none-theless, depend for some of their income on recording contracts, and these continue to ensure that standards never sink too low and that an element of private enterprise is almost corporatist hold that the socialist Austiran state exerts over the

The acting profession in Austria, however, has no such stimulus and

difference vie with each other to distract the audience's attention.

of thespian skills unseen there for

Another bastion of the perform-

once-renowned Volksoper, the suppressed concert pianist are long home of Viennese operetta. This great tradition of melody, drama mixed with humor and high adventure is perhaps the most familiar and accessible face of Austria's musical inheritance. Today, 70 years after the premieres of many a fine work by Lehar or Kalman, the performances in Vienna have become monuments to bad taste in which slapstick and kitsch serve as willing acolytes. "Czardasfürstin" and "The Merry Widow" in recent pro-

ductions here have both preferred to concentrate on clumsy "musihas, as a result, suffered most from cal" numbers, which, though familthis malaise. The Burgtheater, once iar to Broadway, have little place in The complacency bred by a conservative repertory is reinforced by

the depository for the best German

Central Europe. If this were not verein Concert Hall remains almost under Mr. Kreisky as minister of Austria's voting record at the Unitservative repertory is reinforced by

spoken in Central Europe, is a unpleasant enough, the Volksoper exclusively the preserve of the clastransport and of the interior. There ed Nations.

Luckily, the operetta tradition is kept flourishing in Graz, south of Vienna, where one of the most When foreign companies visit beautiful opera houses in Austria the theater, as the Royal Shake offers inspired Puccini and Verdi as well as serious performances of op-erettas. Graz, lying among the last speare Company did last winter, well as serious performances of op-the Austrian press is quick to praise erettas. Graz, lying among the last the visitors for rekindling the kind foothills of the Alps, offers in many ways more lively theater than the capital. The Graz Autumn Festival partly compensates for Vienna's indifference to modern drama and music and continues to promote new works by Austrian and foreign

artists. With the performance of the Berio work in Salzburg as well as Graz's contribution this year, there is a glimmer of hope that Vienna, too; may be able to break away from the traditions that keep men of its artistic life along such conventional lines. The once-unimpressive corps de ballet has been trained for this autumn's centenary celebration of the great Austrian dancer Fanny Elssler, the first Viennese artist to embark on an inter-

A more important sign of new director of the Vienna State Opera. so much of artistic Austrian life.

more for the youth of Vienna, a

is also convinced that Vienna must

the surprising but time-honored shadow of its former glory. To at-circumstances that allow all artists regularly employed by Austrian theaters to enjoy a security of ten-theaters to enjoy a security of tenpredecessor - Vienna may once things to come is the recent apsection of the community that is
pointment of Claudio Abbado to
traditionally ignored by the geriatsucceed Lorin Mazzel as musical ric decision-making that pervades
supplied much of the life and eneralso forward, so playing the role

The Leadership: A Fresh Look for a New Era

(Continued From Previous Page) was little doubt among Austrian in local loans and bonds, turning to tax-free foreign issues instead. Similarly, the rate of savings, hitherto job by the former chancellor in job by the former chancellor in the first policy trail America—a thing no Austrian statements he pledged himself to a excellent, suffered a marked decline. Mr. Vranitzky clearly intends to reform, if not abolish, this tax. The question remains whether the Mr. Lanc, as ex

dichards in his party will let him.

The second highly significant change took place at the Foreign Ministry, housed, since the days of Metternich, together with the fed-Leopold Gratz.

Moreover, although the Musik- Mr. Lanc had previously served

order to guarantee that there would be no significant change in Aus-

Mr. Lanc, as expected, faithfully adhered to his mentor's pro-Arab States. Middle East policy. On other issues, however, he took a far more controversial line. Thus, the conservative opposition, the Austrian real chancellery at the Balihaus-People's Party, frequently criti-platz. Vienna's equivalent of 10 cized in the parliament what it per-ceived to be Austria's drift away-bent, Erwin Lanc, was replaced by from European-style neutrality toward Third World nonalignment.

This, in turn, was reflected in

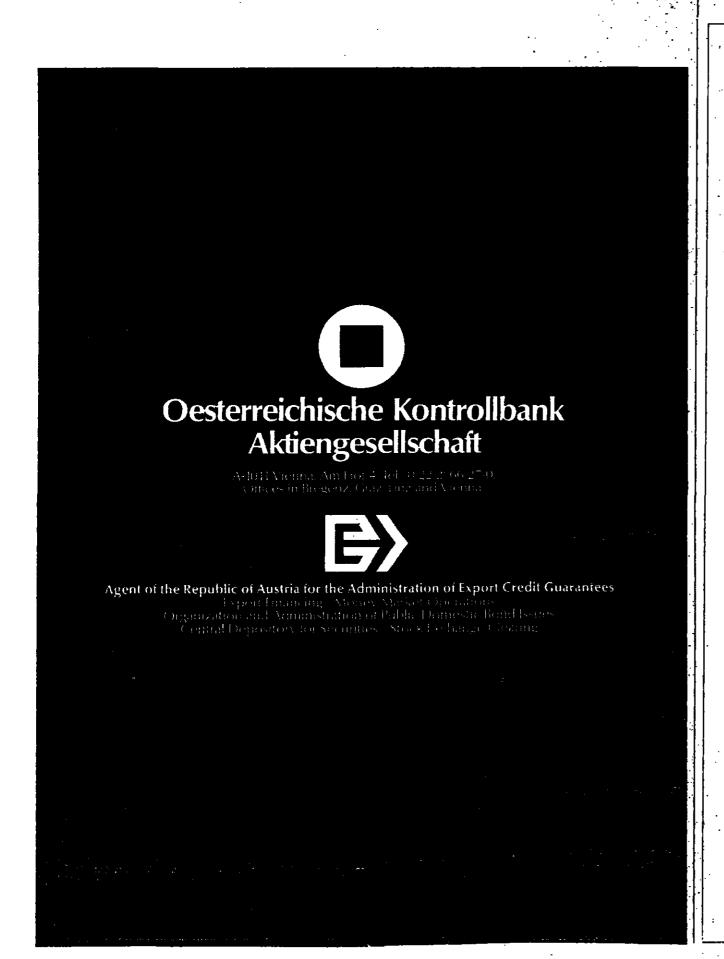
cabinet member had done in the past. Even at the height of the Vietnam War, Austria had refrained carefully where his predecessor had from overt criticism of the United

No official reason was given for the replacement of Mr. Lanc, who suffered further embarrassment when the swapping of jobs pro-posed between him and Mr. Gratz. was vetoed by the local Socialist ferred Mr. Zilk, the minister of

ence in foreign affairs, although as the opposition's front-runner.

course of continuity, while indicat ing strongly that he would tread rushed in.

Moreover, there are signs that Mr. Gratz will not stay as foreign minister for very long. Austrian commentators have suggested that the Socialist Party is trying to build him up as an internationally known figure in order to nominate him as presidential candidate in 1986 — when he would likely meet another internationally known figure, former UN Secretary-General Kurt Mr. Gratz has had little experi- Waldheim, who is believed to be



. .

TO MEET THE NEEDS OF A NEW ECONOMIC ORDER.

IN 1819 FIRST AUSTRIAN BANK WAS FOUNDED SHORTLY AFTER THE CONGRESS OF VIENNA

FIRST AUSTRIAN CONTINUES: ITS HISTORIC COMMITMENT IN PROMOTING TRADE AND ECONOMIC RELATIONS IN THE HEART OF EUROPE.,







Metallwerk Plansee, at Reutte in the Tirol mountains.



Quality control at Chemie Linz.

Incentives, Skilled Labor Are Attracting the Multinationals

Motors executive, is head of the In- managing director I was given the ternational Cooperation Developmeni agency in Vienna.

IN 1980, General Motors, after quality in the GM organization. studying several other countries. chose a site in the outstorts of Vien-na for a \$500-million engine and Other pacesetting multinationals

missions ranked among the highest But GM is by no means the only

domestic appliances: Philips. which employs more than 12,000 people in Austria, where it has made itself a name in consumer

tegrated circuits in 1983, AMI's interest in Austria began of manufacturing costs, labor

people in Austria, where it has five years ago when Stephen Forte, akills, social peace and investment made itself a name in consumer its international operations manage incentives led to the choice of Austrian incentives. TIT, which makes so examining sites in various tria. The project was announced European countries. "If ever you early this year, and in summer the had asked ane then what I thought first Austrian robot came off the about Austria, I would have come new Vienna line.

The would have come new Vienna line.

All told, more force said. "It would not have oo!"

The would not have oo! curred to me to shortlist Austria as a potential high-tech production

> After AMI rejected each European Community country for various reasons, such as shortage of spe-cialized labor, high labor costs, required local equity participation and proneness to labor conflicts, Austria was brought into discus-sion by the large Austrian industrial conglomerate VOEST-Alpine, which proposed the now successful

Gerald Y. Genn, a former General transmission plant, and as the new Motors executive, is head of the Inmanaging director I was given the responsibility for implementing the project. The plant was completed on time and is producing close to the project. The plant was completed on time and is producing close to its capacity of engines and transmission plant, and as the new with manufacturing facilities in phisticated telecommunications? Last year, Cincinnati Milacton countries; and easy and duty-free access to all major European markets automobiles; Siemens, plans for major investments in ad-This company, with manufacturing facilities in phisticated telecommunications? Last year, Cincinnati Milacton countries; and easy and duty-free access to all major European markets automobiles; Siemens, plans for major investments in ad-This company, with manufacturing facilities in phisticated telecommunications? Last year, Cincinnati Milacton countries; and easy and duty-free access to all major European markets automobiles; Siemens, plans for major investments in ad-This company, with manufacturing facilities in phisticated telecommunications? Last year, Cincinnati Milacton countries; and easy and duty-free access to all major European markets automobiles; Siemens, plans for major investments in ad-This company, with manufacturing facilities in phisticated telecommunications? Last year, Cincinnati Milacton countries; and easy and duty-free access to all major European markets automobiles; Siemens, plans for major investments in ad-This company, with manufacturing facilities in phisticated telecommunications? Last year, Cincinnati Milacton countries; and easy and duty-free access to all major European markets automobiles; Siemens, plans for major investments in ad-This company, with manufacturing facilities in countries; and easy and duty-free access to all major European markets automobiles; Siemens, plans for major investments in ad-This company, with manufacturing facilities in countries; and easy and duty-free access to

tive data. A thorough examination of world trade. Austria's traditionket opportunites.

All told, more than a thousand foreign companies, big and small, are now manufacturing in Austria. What advantages did these firms perceive in Austria? Before discusslow manufacturing costs; the low-est strike rate of all industrialized est to many investors.

ans - the EC and the EFTA countries, which account for 40 percent

al ties with Eastern European countries provide additional mar-Complementing these inherent Austrian advantages is the new incentive program recently made public. Under this program, inves-

tors can receive cash grants of up to \$5,000 a job, plus up to 40 percent premium on machinery and equip-ment, plus special loans at highly ing incentives, it might be well to subsidized interest rates. Alternativamine Austria's inherent, long-tively, an investor can choose term, intrinsic advantages, which (again depending on location) a are the key factors to a company package in which his new facility, planning a permanent investment including machinery and equipwith the objective of an ongoing ment, is built to his specification return. Key among these are the availability of highly qualified enum to the eyears. This program has form manufacturing costs; the loss.

Banks Competing In Wider Market

(Continued From Page 13) 19 the year before). Creditanstalt ranks second, with 42 issues within the

same period (compared with 26 in all of 1983). Much of the trust bestowed upon Austria's two leading banks can be attributed to their placement power through more than 1,000 outlets throughout the country and their easy access to the Euromarket. Both have branch offices in the City of London.

Eurobonds have not been the sole source of business. Girozentrale, which prides itself on being "Austria's leading investment bank," also dominates investment funds. The bank holds a major share in Spannvest, a subsidiary, which controls 85 percent of the market.

Last year, investment funds in Austria grew 20 percent (from 9.8 billion to 11.7 hillion schillings). Compared to 1979, the funds have doubled. They consist of domestic bonds (80 percent). Eurobonds (12 percent) and shares (8 percent).

One source of business has taken even the shrewdest Austrian bankers by surprise; the high demand for venture capital, introduced as dividend ghts certificates (Genutscheine) two years ago. Instead of an estimated 500 million schillings a year, some 4.2 billion schillings so far have been placed. An additional 1.5 billion is projected for this year.

The incentive is obvious: In subscribing to the certificates, the buyer enjoys tax-free profit-sharing. Also, even more attractive to the Austran

taxpayer is the fact that if he holds on to his certificates for 10 years he can deduct 40,000 schillings per person per year (or 100,000 for a family of four) from his income. He thus gains an immediate return of up to 62 percent on his investment.

The fervor of the Austrian customer for risk capital has taken Gurozen-trale a step further. This year, the bank successfully introduced preference shares of Mautner Markhof, a reputable name in the Austrian food and beverage industry, as well as tax-priviledged certificates for divi-dends of the innovative company Akoustiche und Kinogeräde Gesell-

While bankers are deeply concerned about the dried-up bond market, they continue to expand in their traditional field: financing Austra's exports, which grew from 266 billion schillings in 1982 to 277 billion schillings in 1983.

One reason for the steady growth is an unusual financing plan, combining government guarantees with the specialized export-related services of the Osterreichische Kontrollbank, jointly owned by 12 major Austrian banks,

These financing possibilities have recently been recognized by the Standard Chartered Bank of Britain, Together with Länderbank, it set up s unit with Vienna, in which the local bank has a 25.5-percent stake. Together, they plan to engage in foreign-trade financing in the Far East.

One foreign market that has been avoided for some time has become attractive again. After years of declines, Austrian sales to the Comecon countries are rising again, from 29.6 billion schillings in 1982 to 33.5 billion in 1983. The preferred partners were East Germany (up 76.8 percent), Poland (up 36.6 percent) and Bulgaria (up 24.5 percent). This year sales to the Soviet Union are up nearly 40 percent.

Compared to the renewed activities, the involvement of Austrian banks in loans to the Eastern bloc is tolerable. According to the Austrian National Bank, at the end of 1983 there was a total of 96.3 billion

schillings outstanding, a third of which can be attributed to Poland.

A recent study of the Vienna-based research team of Business International shows that 20 percent of all sales are contracted through countertrade. Over the years, the city of Vienna has emerged as an important

Among the best known local countertraders are Allgemeine Finanz und Waren-Treuhand, a subsidiary of Creditanstalt, and Girozentrale's Vienna-Commerz and Elsner & Co. from the Raiffeisen group.

With the help of Austrian bankers, Centro Bank was set up 10 years ago. It now is among the five foremost countertraders in the world. The British merchant bank Kleinwort, Benson Ltd. holds 41% percent the Polish foreign trade bank, Handlowy w. Watzawie, 25 percent, and the Italian Banco di Sicilia 33½ percent.

Austrian bankers also demonstrate a special attitude toward bank secrecy. When it comes to identifying a person who opens a numbered account, they abide by the law the "Austrian way." One banker said: "The photo in a passport is proof enough; no one asks for the name if it is covered accidentally."

Warm U.S. Link: A Long Tradition

Helene von Damm, who was born in Austria, is the United States ambassador to Austria.

By Helene von Damm

SINCE I assumed my duties in Vienna 16 months ago, Austrian political and economic developments have been fast-moving and interesting. The bilateral relationship has assumed an intensity and substance probably unique in the postwar

U.S. relations with Anstria have been traditionally good. This can be traced back, in part, to the Marshall Plan. We have built on the foundation of this link, seeking to expand and enhance the rela-

This significant intensification of dislogue included President Rudolf Kirchschläger's visit to the United States earlier this year — the first state visit ever by an Austrian head of state — as well as visits by several members of the Austrian cabinet.

The diplomatic traffic has also been heavy in the other direction. Vice President George Bush was in Vienna about a year ago and was followed by United Nations Ambassador Jeanne Kirkpatrick, Interior Secretary William P. Clark, Energy Secretary Donald Hodel, Treasure Secretary Donald Regan and many other prominent Americans, both public and private.

Personal diplomacy has been reinforced by increased institutional support and exchange in a number of fields. When President Kirchschläger was in Washington, letters were signed to provide

Sir Isaac Newton (1642-1727) British scientist and mathematician

and technology. It was also agreed, at that time, to initiate a youth-exchange program. We recently concluded our second annual bilat-

eral "exchange of views." These working-level talks are, of course, in addition to higher-level meetings, such as that held Oct. 3 between Secretary of State George P. Schultz and Austria's foreign minister, Leopold Gratz.

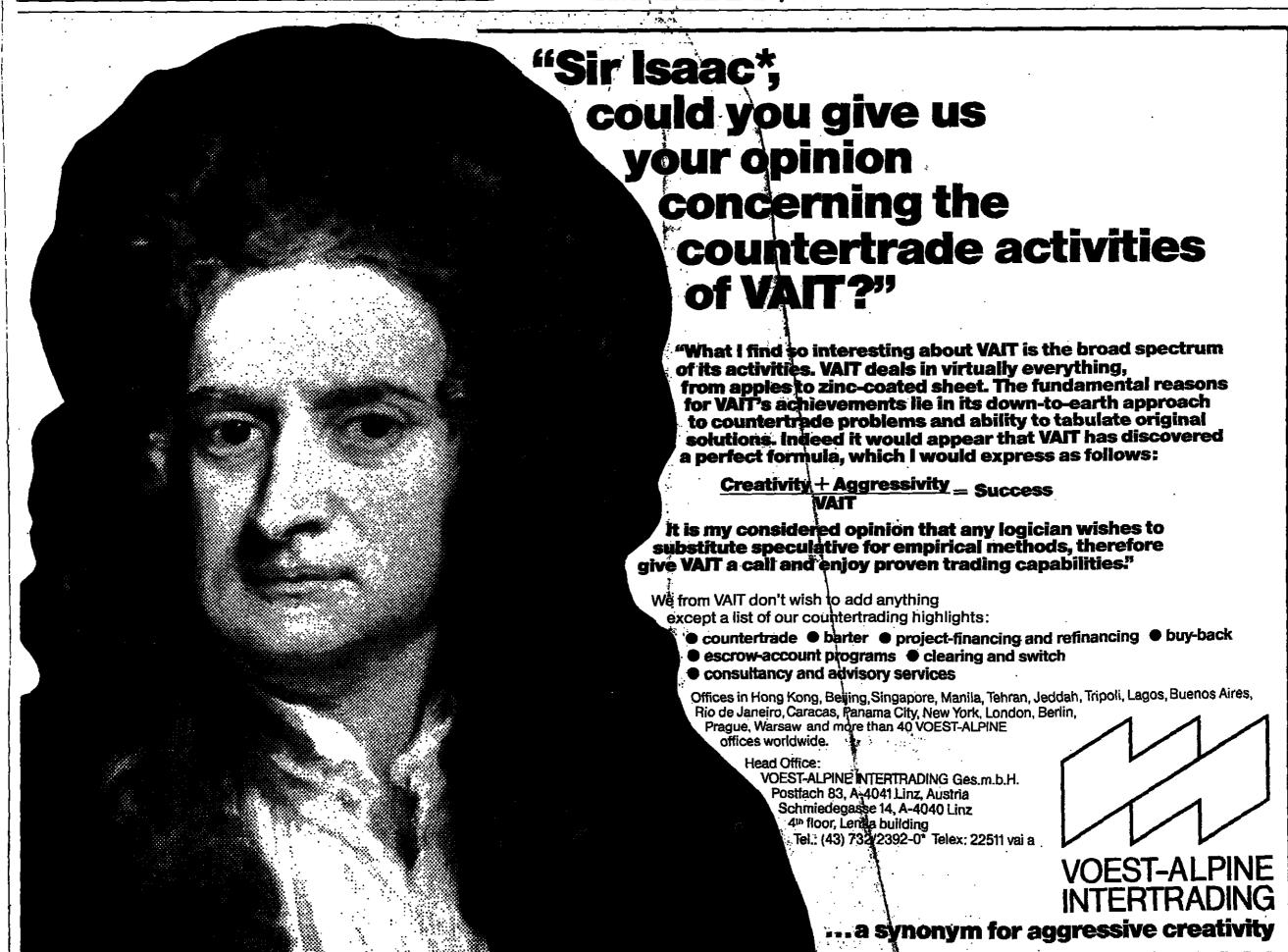
Our bureaucracies have also been stimulated to develop new initiatives. An earnest of Austria's official commitment to strengthening its contacts with the United States is the Foreign Ministry's "U.S.A. Konzept." The United States evinced its interest in an enhanced relationship by reopening, in July 1983, a consular post in Salzburg.

Two-way trade has passed the billion-dollar mark per year and is growing at an annual rate of about 10 percent. Occasional mutual problems and opportunities in the trade field have been managed in a positive fashion.

Finally, as might be expected, musical exchanges occupy a prominent place in Austrian-U.S. ties. This year's successful U.S. tour by the Vienna Volksoper delighted audiences across the United States. But perhaps our most satisfying ioint musical venture occurred earlier this mouth when I persuaded my friend and fellow adopted Californian, Frank Sinatra, to give a benefit concert in Vienna. His generous fans contributed more than 3.5 million schillings to the handicapped children's organization "Licht ins Dunkel" (Light in the Dark). Sometimes, I have found, things go better when the diplomats keep quiet.

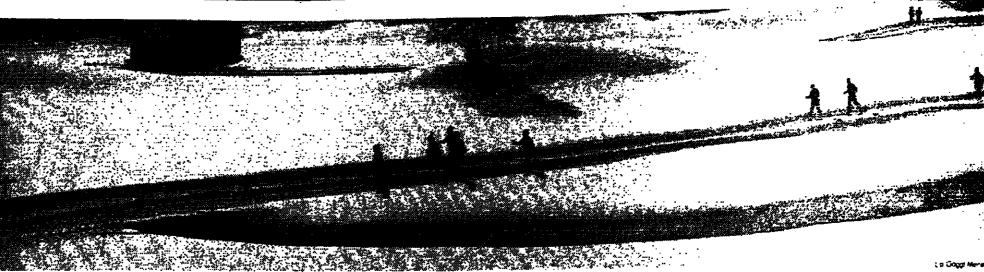


Aerial view of the Chemie Linz factory beside the Danube

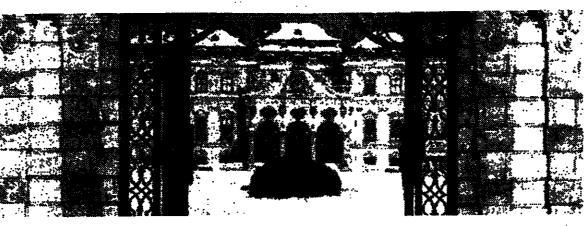




Well-tended ski trails near Seefeld, on a plateau north of Innsbruck. Seefeld is preparing to host the 1985 Nordic world championships in cross-country and ski-jumping. The region bosted the Winter Olympics in 1964 and 1976.



Ski tours in the Alps, above; a sleigh ride near Salzburg, below right, and Belevedere Palace in Vienna, below left.





A Drop in Tourism After Decades of Growth Surprises Industry

suffered a sharp setback this sum-mer, so much so that the minister of trade. Norbert Steger, was pro-voked into saying that mass tour-ism (so susceptible to economic crises) should henceforth be effort having to be made. discouraged and more attention paid instead to prosperous individual visitors.

This unguarded remark brought protest from the traditional holiday resorts. "It is clearly impossible to ask people arriving here to declare their income before they are allowed to cross in Austria," said

There is no denying that Austria's hoteliers, restaurant managers and swimming-pool owners have been experiencing some se-vere withdrawal symptoms in 1984 - and that they are far from certain how to cope with the pangs.

tourism during which the inflow constantly grew without any real

The setback resulted in large part from the prolonged labor problems (strikes and lockouts) in the republic. It highlighted the traditionally heavy dependence of the Austrian tourist industry — usually about 70 percent --- on German-speaking visitors from north of the border. Statistically, this unhealthy state of Otto Scheiner, head of the tourism affairs was offset, to some extent, section in the Federal Economic by an increase in the number of holiday-makers from other countries, including Austria itself, but there was still an overall drop of 4

To put the matter into better perspective it should be added that last summer Austria went through an unusually rainy spell whereas During the main summer holiday 1983 had been exceptionally fine. season this year there was a 14-percent drop in the number of for the growing number of motor-overnight stays by visitors from ized family tourists who make.

AUSTRIA'S tourist industry

West Germany, compared with the quick decisions when the weather Lech too, it must be said, has uffered a sharp setback this sum
corresponding period in 1983. The turns bad and move on to Italy. It somehow, despite considerable ex
shock was all the greater because it probably also accounts for the pansion over the last 10 years, re
came after decades of lucrative good returns registered by the main tained its village character. good returns registered by the main cities — Vienna, Salzburg and Innsbruck - all of which reported record numbers of hotel stays in summer 1984.

Countrywide, the trend is clearly away from exceptionally cheap ac-commodation (possibly in private quarters) toward the more expensive, even huxury end of the market. And supply is keeping up with de-mand. In Vienna alone there are about a dozen hotels in the top two categories (with about 1,000 beds altogether) under construction or shortly to be opened. At a prime location on the Ringstrasse boulevard in the heart of the Austrian capital two international chains are putting up hotels right next to one

Seen objectively, the real diffi-culty is keeping beds filled during the off season. This can be, in extreme cases, for nine months of the year, especially in some country districts. Zuers, on the Arlberg

tria's prime jet-setter winter resort, Kitzbilehel. Down at a reasonable 800 meters and comparatively easily accessible from the motorway, "Kitz" is a bustling, well-oiled, high-geared place for those who like something to be going on around them at all hours of the day and night. The casmo attracts aimost as much interest as the traditional Hahnenkamm International Downhill ski race, one of the most important events of its kind in the world, or the Head Cup tennis championships in the summer.

of Kitzbühel to find another world of Gemittlichkeit, that untranslatable mixture of good cheer and charm, coupled with a dash of lazi-ness, of which Austrians are secret-

Roughly halfway (both horizonmountain, for instance, is a play-ground for high society in ski time Seefeld, which is preparing to host but can only be described as a the 1985 Nordic world championghost town during summer and au-ships. These cross-country and skiother hand, has managed to pre- the area, which hosted the Winter the famous rail tunnel under the well into the black) for many years. serve a year-round vacation image Olympics in 1964 and 1976. This because of some clever tourist promotion activities that enable one to area are especially proud of the fact forget that one is up at an exposed that they have reached an agree-1,500 meters (4,950 feet) and ment with hotel and gasthaus owners to keep prices down to last

Lech too, it must be said, has year's off-season levels for the du-most comfortable method of travships, Jan. 17-27.
One of the biggest potential mar-

This can hardly be said of Aus-ia's prime jet-setter winter resort, money holiday at any time of the so spas and health resorts. Some of them, such as Bad Ischl and Sem-Austro-Hungarian monarchy. Oth- partures. ers have completely modernized their façades and their facilities. A stay at Badgastein, for instance taking the cure in the "Radon Healing Galleries" — or at Warmbad Villach, dipping into the thermal waters, can easily be combined bruck and Vienna on its two Dashwith a variety of more or less vigor-Lovers of peace and quiet have ous sporting activities. Treatment only to move a kilometer or two out at the sulfur springs in Baden whose curative properties tend to be spoiled by the healthy, but penetrating, smell — is a good excuse to enjoy some of the winter concert and operatic delights in nearby Vi-

A medernized relic of the past tally and vertically speaking) be-tween Lech and Kitzbühel, on a kilometers away. It is a sort of plateau north of Innsbruck, lies tram-cum-train service, which recently celebrated its centenary. Also 100 years old in 1984 are the shipping service at the other end of tunnel was built, was the only allweather connection between the provinces of Tirol and Vorariberg.
Trains are still far and away the

ration of the Nordic champion- eling from one end of Austria to the other, with the Austrian Federal Railways constantly offering new, attractive services. On-board films. dancing cars and telephones accesyear in Austria is the choice of 80 or sible to and from the national network have been introduced in addition to the existing restaurant mering, tend rather to live on their carriages on the really fast mainline reputations from the days of the routes, with hourly on-the-hour de-

Interior Austrian air travel, late in starting up, is also on the in-crease. The leader in this field is the 7 turboprops. Next year it will be acquiring a Dash-8 for the same stretch. A smaller but highly ambitious enterprise. Rheintalflug (Rhine Valley Air), has started a scheduled service between Hohenems (near the border with Switzer-land) and Vienna using a Cessna Chancellor for the two-hour flight. The services are in addition to international routes flown by the national carrier, Austrian Airlines, using its fleet of 17 DC-9s. A clearly defined, somewhat restricted route policy has kept the "Friendly Airline" — as AUA likes to be the country on Lake Constance and known — out of the red (and often Arlberg, which, until the 1970s Austrian Airlines's investment pro-when the country's longest road gram up until 1989, amounting to gram up until 1989, amounting to 5.3 billion schillings, includes the purchase of two A-310 Airbus

- DAVID HERMGES.

Austria seen by candlelight







This is another light by which Austria should be seen. Relishing the delicacies of the Austrian cuisine - in the crystal, silver and damask opulence of the baroque age, in stately palaces, or in the nostalgic ambiance of the turn of the century. Let Austria find its way to your heart - also through your stomach.

Festive Austria The great little country in the heart of Europe.

For special information on Austria, please contact your travel agent, Austrian Airlines or the nearest branch of the Austrian National Tourist Office in:

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State Industries: Profits Proving Illusory

(Continued From Page 13) granular versions of certain hard metals that have chemical and physical properties needed for special steel production.

The company's history of innovation goes back to 1885, when Carl Auer von Welsbach, founder of Treibacher and inventor of the incandescent gas mantle, discovered the elements neodymium and

Hardly less significant in today's households is the sodium-perborate powder produced by Treibacher as the basic bleaching agent in detergents. Treibacher is also the world's

largest maker of light flints, al-though this accounts for less than I percent of sales.

About 80 percent of Treibacher's output goes to export. A record 93-percent export quo-ta is claimed by Metaliwerk Plan-see, one of the world's largest man-ufacturers in the field of powder

metallurgy.
Plansee, at Reutte in the mountains of Tirol, has a labor force of more than 2,500.

Sales in the last business year were 1.6 billion schillings, with the main markets in European Com-munity countries, the United States and Japan, where the penetration. according to executive Michael Knaur, "has been surprisingly suc-

Of especial importance in the Plansee production are the hard metal Tizit drill tips used in extreme machining operations under various Plansee trade names.

Plansee's technological pre-emi-nence in hard metals and highmelting metals has attracted wide interest. It is hardly surprising that Plansee's standard investment for research and development is 6 to 7 percent of sales, three times the Austrian industrial average:

It is often difficult to compre hend just how important the contribution of Tirol is to Austria's overall balance of trade.

Not only does it account for about one third of all the country's takings from tourism but the industrial output - without ever seriously infringing on the landscape
— is out of all proportion to the
diminutive size of the province.

They are products that need more brain power than manpower.

A typical example is provided by abled Biochemie to achieve the first ronmentally Biochemie, a small plant at Kundl industrial scale biotechnological powders. in the plain east of Innsbruck, This production of antiviral interferon. In the more

was the birthplace, in 1952, of oral penicillin and is one of the world's largest producers of antibiotics. A

combination of sophisticated fermentation techniques and ultra-

On a more mundane level, the company recently founded a joint sub-sidiary with Henkel Co. of Dusseldorf for the fermentation of detergent enzymes, one of the most

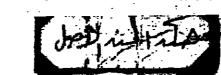
In the more conventional field of ndustry, two Austrian companies not be overlooked: Steyr-Daimler-Puch and Andritz, S-D-P is the result of the fusion 50 years ago of



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Glassmaking Dynasties Faring Well in Modern Era

FAMILY TRADITION, coupled with modern technology, shines through the products of two Austrian manufacturers whose names were household words abroad before they became generally known here: Swarovski and Riedel.

Their ancestors came, in each case, from Bohemia, from the Jablonec area where there is a history of glassmaking going back to the Middle Ages. Both the families settled independently in Austria and built up a reputation for excellence in their respective fields, reflected nowadays in order books that are filled months, even years, in advance.

In 1895, Daniel Swarovski moved to Wattens in Tirol, where he found ample supplies of the cheap water power he needed for his glass-cruting enterprise. His decorative glass stones, made with a faceting machine he invested, were stones, made with a faceting machine he invested, were stones, made with a faceting machine he invested, were improvements in the basic material, coupled with imaginative development of new applications for the brilliantly polished crystal-like stones, caabled the company to survive two world wars and their aftermath.

Daniel Swarovski has expanded to a group of companies still the supply exclusive models to individual top stores in New York, Chicago, Houston and London. The result has been employing 6,000 people on four continents. Glass is still the supply exclusive models to individual top stores in New York, Chicago, Houston and London. The result has been employing 6,000 people on four continents. Glass is still the supply exclusive models to individual top stores in New York, Chicago, Houston and London. The result has been employing 6,000 people on four continents. Glass is still the supply exclusive models to individual top stores in New York, Chicago, Houston and London. The result has been employing 6,000 people on four continents. Glass is still the supply exclusive models to individual top stores in New York, Chicago, Houston and London. The result has been employing 6,000 people on four continents. Glass is still the supply ex

Low Profits in State Industries

(Continued From Previous Page) three companies in the weapons, antomobile and motorcycle sectors, the oldest being Steyr, which dates from 1864 for the manufacture of army tiffes. S-D-P has diversified to the extent that it makes both light tanks (Kitrassier) and bicycles, not to mention mopeds, tractors, buses and forestry machines. It also turns out the highly successful Puch "G" all-terrain vehicle and other four-wheel-drive transporters such as the Pinzgauer.

Disastrously declining military shareholding of the statement financial difficulties, with

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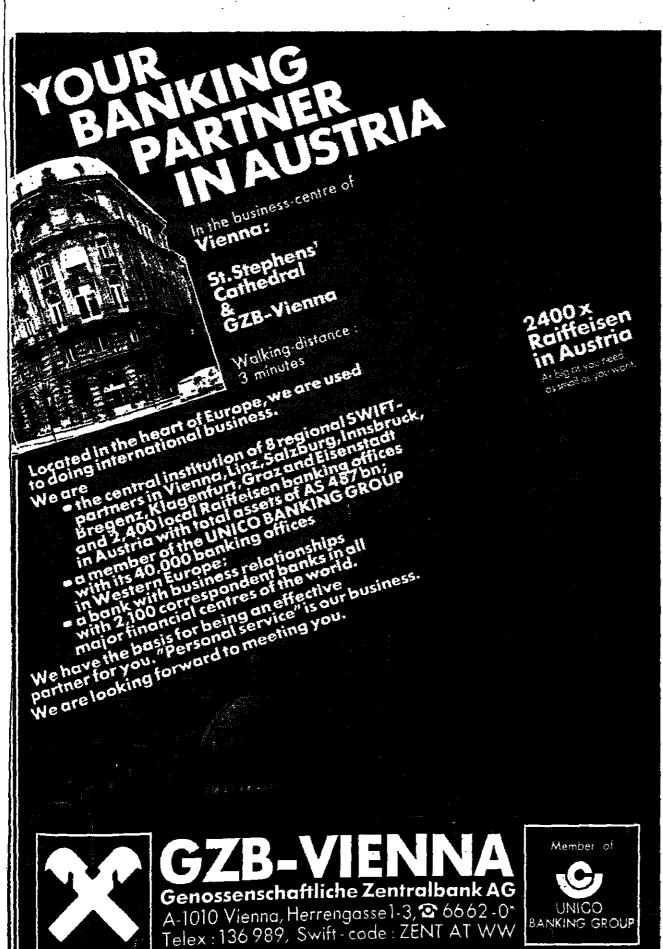
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Forecasting the Limits of Growth

An analysis of "The Future of Austria," initiated by Herman Kahn in 1983 and pub-lished this year under the auspices of the Hudson Strategy Group, contains some important indications about the past and present success of the Austrian economy. Following are excepts from the report, which appeared as "The Anatomy of a Miracle."

"MANY FOREIGNERS tend to associate Austria with Gemütlichkeit, ski slopes, or perhaps Sachertorte, but not the stuff of which statistics are made. The fact is, in a world of chronic inflation, The fact is, in a world of chronic inflation, or the incomistible that the statistics are made. Austrian record borders on the incredible....

The Austrian scene since 1955 [the year of the State Treaty] has been one of astonishing social peace and political stability. The strikes which are so commonplace in such mature democratic societies as France, Great Britain, and the United States are virtually unknown in Austria."

In 1981, 1982 and 1983, for instance, the

was on average on strike amounted to only a few seconds, less than a minute over the whole period. "The reality of the Austrian

miracle is beyond dispute."

In addition to "social partnership," a socalled "hard-currency policy" and the large size of the nationalized sector, "still another feature of Austria that may have worked in its favor is its modest dimensions. The total population of Austria is much less than that of New York City or Paris, and is roughly the same as Seoul. The national territory is somewhat smaller than Hungary or South Korea. The moderate size of the Austrian economy means that it can be much more easily "man-aged" than much larger economies like that

of West Germany, not to mention the United States or the Soviet Union.

The Hudson Strategy Group's study examines some scenarios for the future. One of the "challenges of the eighties," it says, is the need for Austria to face up to the competition of large market economies by promoting in-novation and thus anticipating market de-

"Large countries often have military programs that encourage innovative research or other 'prestige' programs. Austria is not pre-cluded from military research and develop-ment spending, but for many reasons, probably will not spend large sums for this purpose Austrians may believe they are precluded from the massive spending necessary for other prestige projects, such as space programs. but the size of the project may not necessarily have anything to do with prestige. To summarize, we feel that Austria has a reasonably good chance of attaining further economic growth during this decade, but, if this occurs, we do not expect this project to match the pace of the past three decades. An essential explanation for this dechning pace of expansion is the social limits to growth that seem inevitably to emerge as nations become more affluent. Affluence leads to changing values and less emphasis upon materialistic goals. Nevertheless, post-materialist values will probably prove less of an impediment to economic growth in Austria than in other comparable European countries."

The historic Case Central in Vienna has been carefully

A Buyer's Market in Gourmet Dining, Especially in Vienna By Ann Dubsky

GOURMET dining in Austria is enjoying an upswing and the entire culinary scene is in a frenzy of activity. The 1984 Gault-Millau guide to Austrian restaurants tells only a small part of the story in awarding three toques each to Eschiböck in Mondsee and Zoll in Bregenz; two each to the Prinz Engen and Mattes in Vienna and Bacher in Mautern; and 48

other toques to almost as many restaurants. "Steal the cook" is the gastronomic game of the year, and the continu-ing wave of new openings makes restaurant owners fear for their kitchen brigades. While prices tend to be steeper in the west and south of the country, they are still low by international standards, and competition in

Vienna has created a buyer's market in good eating. The new quality trend in Austria also extends to rural areas. One need only to be reminded of Ingrid Häupl in Attersee, who was one of the first to cook regional country dishes with a new flare. Lisl Wagner-Bacher, named 1983 Gault-Millau cook of the year, tends the stove in a country inn at Mautern in Lower Austria. Even natural foods have become haute cuisine in the hands of Werner Ultsch at the Schwarzer Adler in

It took Austria longer than some European countries to shake off the gloomy postwar era, when all but a handful of its best restaurants were dishing up starchy mountains of food swimming in fat. Most of it tasted pretty good, but its main function was to fill stomachs that had been

No doubt influenced and encouraged by nouvelle cuisine, which liberated Frenchmen from food far too heavy for modern lifestyles. Austria developed its own kind of lighter cooking, with an emphasis on fresh products. Regional and classical Austrian cuisine got a new going over, baroque cookbooks proved a treasure trove of "new" recipes, and cooks

and innkeepers were inspired to innovations on their own The early wave of creativity produced some of the most talented cooks. Eckart Witzigmann, hailed as the doyen of good eating in Germany and proudly pointed out as Germany's first three-star cook, is in fact an Austrian, as he demonstrates in his restaurant, Aubergine in Munich, He and Werner Matt of the Vienna Hilton's Prinz Eugen are the only non-Frenchmen named cook of the year by the Paris Gastronomia Interna-

Mr. Matt's greatest impact on Austrian cuisine, however, may lie in his capacity as a teacher. Many of the country's top cooks are byproducts of his kitchen. About 100 leave his charge every year to spread the new gastronomic gospel after completing apprenticeship, a year's special training, one or more weeks' participation in a seminar or, as Mr. Matt admits with a mixture of pride and dismay, to accept more lucrative

In 1978, when a handful of farsighted Viennese organized a group of nine local restaurants interested in a higher, fresher style, Mr. Matt also lent his support. Karl Schumacher, Vienna's star pastry maker from Oberlaa Kurcafé-Konditorei, also joined in and began to lighten up rich Viennese sweets to go with the new food. The first responses to the Neue Wiener Küche (New Viennese Cuisine) ranged from skeptical to hostile. Fortunately, the group displayed more creative imagination in devising new recipes than a name for itself and gradually began to amass a substantial body of admirers. Success has prompted current efforts to organize similar groups in other provinces.

New styles in eating have also created a new trend in wines. Although

the fruity dry white wine remains the Austrian favorite, Günter Winter, who recently opened Vinothek in his Hauswirth restaurant, said the new white wines tend to be lighter, with higher acidity. Red wines, neglected until recently, are also coming into their own, he added, with better vineyards aging red wines slowly in oak barrels according to the classical

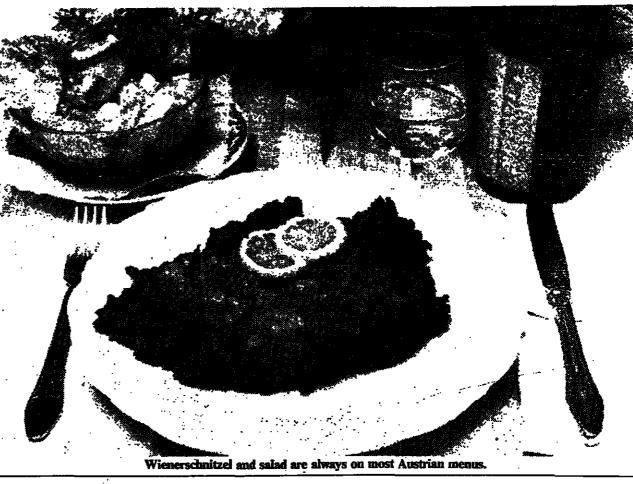
Michael Pronay, the sommelier at the Bristol Hotel's new Korso, that the 1977 and 1979 vintages are ready for drinking now and that 1979

promises to be an exceptional year for Austrian reds.

Mr. Winter and Mr. Pronay dispute the myth that Austrian wind neither age nor travel well, citing examples from their cellars of a fine 1964 Blauer Portugieser, rieslings from 1969 and 1973 and excellent Grüner Veltimer from 1971. As for travel-hardiness, Mr. Winter will be received as the test in Language when he will putting a selection of Austrian wines to the test in January when he will present Austrian food and wine to six major U.S. cities.

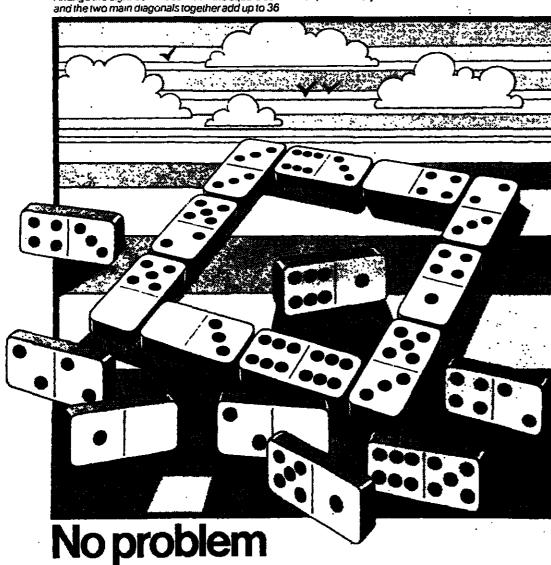
present Austrian food and wine to six major U.S. cities.

Good mineral water also contributes to a fine meal, and local percapita consumption in 1983 reached 57.5 liters, placing Austria fourth in Europe, after France, Belgium and West Germany. Although the summer's cool, wet weather affected sales markedly, the relationship is nexpected to change. Mineral water has established itself as a beverage of Austria only within the last 10 to 15 years. At a time when Frenchmer, were consuming 40 liters (10.4 gallons) a head, Austrians were still drinking mineral water for medicinal purposes only.



Spot-on advice for business growth in Austria?

Arrange the eight dominoes within the square so that the spots in every row and column total 18, and the two main diagonals together add up to 36



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Patent held by Chemserv Consulting, Linz.

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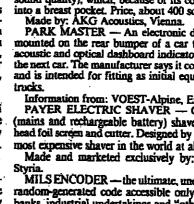
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schillings.

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K-1 — A real hi-fi headphone set (20 to 20,000 Hz, giving exceptional sound quality), which, because of its collapsible headband, literally fits into a breast pocket. Price, about 400 schillings.

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Marine binoculars from Swarovski.

Information from: VOEST-Alpine, Engerwitzdorf.

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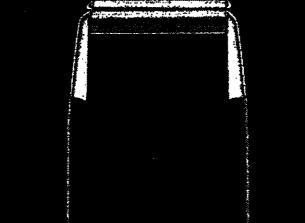
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The Payer electric shaver.

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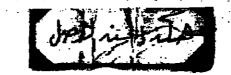
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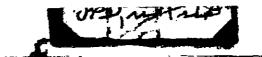
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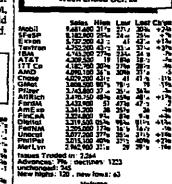
Page 20 INTERNATIONAL HERALD TRIB	UNE, MONDAY, OCTOBER 29, 1984
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Ameriti 288 53 885545 574 54 + 4 DuckA 5 22 26 367 146 18 1614 5 4 Ameriti 120 185 174 1854 145 100 1850 2 14 4234 2376 2376 2376 2376 2376 2376 2376 2376	Lexiston Lexiston Lexiston Lexiston Lexiston Lexiston Lilieros 34 4 3399 38-39 4 Lilieros Lilieros 34 5 3399 38-39 4 Lilieros Lilieros 37 5 7 49. 68-4 te LilyTul 20 13 7767 574 148 148-3 3 LineTrot LineTrot 220 75 1352296 219. 718-4 14 LineTrot 220 75 1352296 219. 718-4 14 LineTrot 230 45 59-59-59-69 LineLon 30 11 36-69-89-679-479-5 LineBry 128 32 77324 229-229-219 LineBry 128 32 77324 239-229-219 LineBry 128 329-219-319-319-319-319-319-319-319-319-319-3	Schmed 35 7th 8th 4th 9 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	tion. Sheikh Ahmed Zaki	ge 9) suggestions that his have held its price i Yamani, until OPEC had ti	country should way, the Un s steady at least and North me to meet and	ited Kingdom, Nigeria America."	Steel companies were vulnerable. When LTV, based in Dallas, merged Republic with its Jones & Laughlin steel unit to become the
Andros 177 71/2 61/2 7 - 1/2 EH Int 194 376 3 376 - 1/4 Andros 17 1.4 266 976 876 276 - 1/6 EIP 10 2 1771216 1134 12 + 16		Semicis 40 13 41279 274 274 + W Semicis 489 99 89 99 99 9 Sensor 05 5211001019 814 99 + 9 Section 08 4 4434149 1214 1214 1214 12 Sympasi 1.04 23 14992316 12 2 12 14	the Saudi oil minister, he that a big production of send oil prices soaring all cial levels, a situation that servative Saudis want	cut could Norway. He said bove offi- economy, depended the con- more than 90 perce	Nigeria's weak tain a 16 mi ent on oil for ent of its export	llion barrels a day ceil- long as necessary to narket and restore spot	No. 2 U.S. steelmaker, after U.S. Steel Corp., analysts expected that operating efficiencies would result. "While benefits of combining
ApoloC	MCI	Service 10022 2094 2044 2 2 2 2 2 2 2 2 2	"We don't want to overe said last week. Mr. Subroto suggested overall OPEC production	do it," he sales even for a sho "Oil is life for N I a cut in "We do not have a	on period. Mr. Seyr igeria," he said. Arabia wou pacemaker contribution must pump." Libya and \	icur wrote that Saudi (ld make a "substantial" (to the cut in output, a 'enezuela were ready in	the steel operations are beginning to be realized." LTV said in issuing its report Friday, "operating results are not expected to improve until thipments and prices increase over
Archive 27 1 1/3 a Educorm .08 1 à 27 5/2 5/5 5/5 - 1/2 Archive 204 274 274 - 1/2 Archive 204 274 274 - 1/2 Archive 204 274 274 - 1/2 Archive 205 274 274 - 1/2 Archive 207 274 274 274 274 274 274 274 274 274 27	Mai RT 2209 99% 85% 9 - 15	Silicon	I million to 1.5 million day. But some OPEC office called for deeper product Mr. Subroto said OPEC	barrels a Cuts "Virtnally cials have ion cuts. The Middle East vey said Sunday ion cuts."	Certain principle to 100,000 bar 100,000 to 1 geria by 50.	reduce production by rels a day, Kuwait by 50,000 barrels, and Al- 000 barrels.	Consolidated Trading
Afwiloc 1086 174 164 174 + 15 Emear 36 1% % 1 _ 16	Mothes 10 A 5327 2514 27 + 115 Mothes 10 A 5327 2514 27 + 115 Mothes 20002514 2514 2515 15	Smith 2193 315 314 315 + 14	tion already was below the self-imposed ceiling of 17. barrels a day. Mr. Oteiba, reported that OPEC ou around 18 million.	5 million existing prices, United the control of th	ted Press Inter- least 100,00 re finalized at also outside	which is not an OPEC mild cut output by at 0 barrels while Egypt, 10 OPEC, would hold	Of NYSE Lasting Week ended Oct. 26
Artem 20 23 313 642 6 6 4 Engoll's 182 544 475 544 4 476 544 4	Medic 611 Mys 12 / 13 — 1 / 14 Medic 23 + 13 11 / 12 + 12 / 13 / 14 / 14 / 14 / 14 / 14 / 14 / 14	Source 1200 31 1807-04- 387- 37 Source 1912/02 23 2372.— 1a Soboat A0 20 742201 1914-1914-1915 Soltoan A25 494 494 414- 94 Student Student 1914-1914-1914-1914	Sheikh Yamani predix week that a strengthening ket would allow Nigeria to prices soon.	Dil MAT- male a day from the	1.5 million bar- current OPEC ion barrels, the Conso	lidated Trading	Decil Pastado 31's 27's 20's 4-74s FeSP Elezado 25's 24s 25's 4-7s From \$757.20' 41' 31' 41' 42's 4-1's Barton 4752.20' 41' 31' 31' 31's 13's 4-7s Barton 4763.20' 27's 13' 14' 15' 3' 5's Tat 4308.50' 17' 18' 18' 13' 3' 5' 17' 17' 18' 18' 18' 3' 3' 5' 18' 18' 18' 18' 18' 18' 18' 18' 18' 18
81W Cb . 100 1.7 107 614 534 534 ExcelTC 1210 156 11/2 166- 14	AMOTOCO		Mr. David-West, at a conference Sunday, we commit his country to any ble. He said the country	his news "This is regarded ould not certainty since suffi- y timeta- readiness to cut pro- y would already been fortho	cient pledges of roduction have	F	nose 447,720 447; 41 47 4; 115 484; 126 484; 127 47 4; 115 484; 127 47 47 47 47 47 47 47 47 47 47 47 47 47
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ACROSS 1 Yawn 5 Murrow's "Hear --

16 Corn or oat follower 14 Like the Gobi 15 Stiller's partner 16 Kind of brat or

ant 17 Caron role 18 Phony strong man 20 Opening 21 Chemical

suffix 22 Singer Vic 23 Snare 25 NASA module 26 Agri Dagi 28 Claims 33 Fabric for ties 34 Kind of

B-complex acid 36 Ward off 37 Clarinet's cousin 39 Having mysterious

meaning 41 Cartoon light bulb 42 Forms 44 Wine region of France

heaven": 13 Ancient Greek Shak. instrument 19 Fla. city 47 Departments 24 Clod 25 Clear 49 Demure 51 Raggedy doll 26 Bouquet campaign 53 Calyx parts 27 Pack again 28 Turpentine 57 "Horton Hears

Dr. Seuss

61 Easy mark

63 Ariz. Indian

Bagnold

69 Privileges:

DOWN

1 Jokes 2 Seed covering

Abbr.

item

Ross

4 Perkins or

5 Pretender

7 Neck part

6 Irritate

8 Pay dirt

9 Guard

58 Support

65 Dig 66 Author

67 Plugs

sources 29 Egg: Comb. form 30 Diversion 31 Kilmer classic 32 Originate 64 Theater award 35 Optical unit

38 Poetic

mile

contraction 40 He sits below the salt 68 Church officer 43 Seli illegally, as tickets 45 Holder of 1981 record for the

48 Kind of straight 3 Caveat-emptor 50 Natty 52 Thrust away 53 Old tub 54 Island near Corsica 55 Indemnified 56 Certain votes 57 Fuse metals

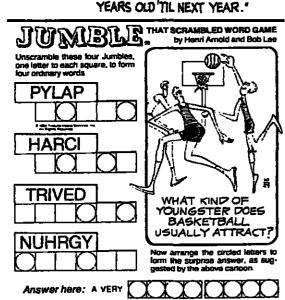
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10 Disfigure 11 Therefore 62 Colloid New York Times, edited by Eugene Maleska.





'I won't be finished bein' five



Friday's Jumbles AGING FOYER BAFFLE GLOBAL

Answer "Does it all come from an allergy?"-"LARGELY"

WEATHER HIGH LOW MIDDLE EAST

PEANUTS

BLONDIE

OH, DEAR, ONE IS 50) CHEAP AND THE OTHER SO

BEETLE BAILEY

GET RID

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BOOKS,

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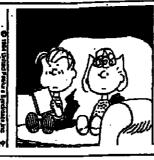
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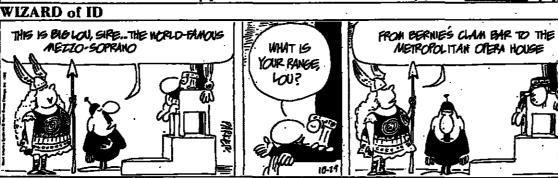












REX MORGAN KENNY, YOU'RE SO TIRED YOU CAN HARDLY STAND LIP! PLEASE GO TO BED! TOMORROW'S YOUR DAY OFF, TOO MOTHER! WHY DON'T YOU GO SOMEWHERE WITH KEITH AND ME?]

OKAY

OKAYPI



NHL Standings

Edmonton Calgary Winnipeg Las Angeles







BOOKS

NOVEL WITH COCAINE

By M. Ageyev. 204 pp. \$15.95. Dutton, 2 Park Avenue, New York, N.Y.10016.

Reviewed by Eva Hoffman

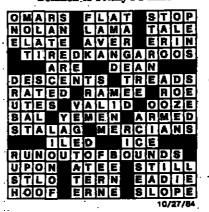
Ts hard to imagine a novel more hermetic I than this intriguing riddle of a book. The very circumstances of its creation are mysterious. In the 1930s, "Novel With Cocaine" was sent to a Russian émigré journal in Paris, by a pseudonymous author from Istanbul; it was subsequently published as a novel, and rather quickly forgotten —until its recent rediscovery in a secondhand bookshop in Paris. The author's identity, however, remains an enigma, and all efforts to discover it have so far proven

futile. The impression that with this work we're receiving a message in a boule from unknown shores is reinforced by the novel itself, which, aside from the claustrophobic and self-enclosed microcosm of the protagonist's psyche, refuses to disclose much about the world from which it sprang. The cocaine of the title does not enter the novel until about three-quarters of the way through the story; but the entire narrative has a semi-hallucinatory quality of being produced by a self-lacerating and hyper-trophied consciousness.

Not that "Novel With Cocaine" cannot be

placed within a recognizable tradition — the tradition of Turgenev, or Gogol, or, above all. Dostoyevski. What is most familiar about it is its study of a tormented and violently divided soul -a study that very obliquely hints at the degeneracy and the divisions of the society at large. In this case, the soul under examination belongs to Maslennikov, a high school student on the verge of entering university, sometime toward the end of World War I. On the surface, nothing much happens to this prematurely jaded and simultaneously naive rone. He walks the streets of Moscow, posing as a Baudelair-ean dandy relishing the city's flowers of evil and exchanging looks with women full of instant and unsettling meaning; he contracts syphilis, which he coldly, though with full and guilty awareness of his vileness, passes on to an innocent young girl he picks up, he's painfully ashamed of his meek, elderly mother — and ashamed of his shame. He falls in love, and deliberately defiles the woman who is its object. He becomes involved in the disputes and power struggles between his fellow students,

Solution to Friday's Puzzle



which are the novel's most overs prefiguration of the conflict brewing in pre-revolutionary Russia. And he becomes addicted to cocaine, which becomes his vehicle of some despairing revelations about human nature - as well as the cause of his death.

But although this novel continues the thread of 19th-century Russian writing in its narrowing of social panorama and political questions to the confines of individual perception and sensation, it is also unmistakabiy an early 20thcentury symbolist work, whose odd and absorbing intensity comes not from its relatively slight events, but from its close-up, almost unnatural acuteness of observation. Again and again, images of human faces and gestures are magnified as if under a microscope, mutch commenting on the narrator. And, as in Dostoyevski, the gestures sometimes crupt with an irrationality that is nevertheless utterly convincing, as if the unconscious itself had the daring to surface to the page. Thus, when a mediocre student. Burkewitz, is humiliated before his classmates for neglecting to blow his nose, his character undergoes 3 sudden and disturbing change: he overtakes the best student in his class, begins to make impassioned idealistic speeches — and we know that of this tortured righteousness, built on poverty and shame, a future revolutionary is born

This suspicion is reinforced by the novel's ending. In a way, Burkewitz, who typifies true Russianness to the narrator, comes closest to being the novel's hero. But on this, as on other political or social issues, this story's point of view is highly ambiguous. In his cocaine-in-duced trance, Maslennikov learns what Dostoyevski seemed to know intuitively, and what many Eastern European writers have told us après le déluge: that, just as goodness in human nature cannot be divided from baser instincts. so the cruelty arises from the goodness, and cannot be severed from it. Saintliness and evil, this message in the bottle seems to tell us, coexist within a hair's breadth of each other. and beware of those who try to stimulate the excess of either — for it will inevitably give birth to its opposite. "At times I even feel moved to address all future prophets of man-kind as follows," Maslennikov writes in his journal": "Prophets! Dear, kind prophets! Leave us alone. Do not try to fan the flames of lofty sentiments in our souls; do not try to make us better than we are. For so long as we are bad, we limit ourselves to petty felonies; as we grow better, we kill."

But this is one of the novel's few explicit statements. For the most part, this is an elliptical work asking us to draw our own conclusions from its suggested and fragmented images. But the very extremity of its opaqueness reminds us that the novel is the form most umbilically tied to the reality principle. If that "real," external context isn't provided by the work itself, we search for it in the writer's life, or social circumstances. One way or another, it seems that our imagination demands to know where, in the real world, these stubbornly realistic objects are placed. Without that knowledge, we are left adrift, looking for some reas-suring landmark. In the case of "Novel With Cocaine," this search is both challenging and provocative; and for the literary exegete, or for the historical sleuth, it should prove a positive

Eva Hoffman is on the staff of The New York

BRIDGE

the contract hinged on the play of the diamond suit.

possession of virtually nothing but the two major-suit kings.

The opening lead of the queen and exited with his last trump.

trump.

Both declarers now made the book play in diamonds by dummy toward the queen is a

ON diagramed deal both teams reached four hearts after the auction so the angle of the control o

spade queen was won in the dummy and the heart jack was led. East covered with the king, and South took his acc. On the next trump lead West took his mice and evited with his least on the dummy and evited with his least seems and evited with the king.

And a low diamond from the book play in diamonds by taking two finesses, losing to taking and the jack and missing the chance to bring home a vulnerable game.

But sides were vulnerable. The hidding:

North East South West to the location of the life of But the bidding and play or from a hesitation in the East

West led the spade queen.

SCOREBOARD

Football

Selected U.S. College Football Results

EAST
Akron 17. Term Teth 9
Alfrad 17, U. Buffalo 0
Bloomsburg 14, Kutztown 1
Baston Coll. 33. Rutgers 23
Baston U. 31, Mostochusetts 21
Barockoort St. 73. Rochester 7
Buffalo St. 14, St. Lowrence 18
Collidornia 1Po) 31, Silo. Rock 6
Contlaius 24. Cortiford 51, 15 Colifornia (Po) 33. 340. Consistus 28. Cortland 51, 15 Conse Western 35. Altegheny 0 Chevney 29. Clarion 10 Delaware St. Towson St. 23 Harvard 17, Princeton 15 Holy Cross 36. Brown 17 Image 14. Hobert 13 New Home, 13. Northeastern 2 New Harms, 13. Northeastern 2 Penn 34. Yole 21 Pirisburgh 28. Norvy 28 RPI 10. WPI 7 Rhode Island 24. Lehigh 16 5. Carns, 59. D.C. Univ. 8 Shippensburg 21, Indiana 18. Swarthmare 24. Fr. & Marshall 9 Statement 27. Arms, 18

Swarmmore 24 Fr. & Morsk Syracije 27, Army 16 Trinity 38, Capst Guard 13 Virolnia Tech 9, Tampie 7 Wesleygn 14, Bowdoin 8 Widener 25, Wilkes 6 SOUTH Algbama A&M.28. Algbama St. 12 Albany, Ga. 37. Clork Col. 0 Alcorn St. 51, Florida A&M 14 Auburn 24. Mississippi St. 21 Cleritson 35, N. Carolina St. 34 Davidson 7, Wolford B Delta St. 27, Livinoston St. 24 E. Tenn. St. 7, James Madison 6 E. Kentucky 27, Murray St. 14 Georgio 37. Kentucky 7 Georgio South. 36. Voldosta St. 8 Guilford 38. Salisbury 51. 21 Hamp Syd, 10, Emory & Henry 7 Hillsdale 14, Kentucky 51, 13 Jocksony, 51, 23, Tenn, Martin 14 Lone 42, Knowlile 36 Maryland 43, Duke 7 Mississippi Col. 52 W. Geersia 24

Massissippl Cat. 52. W. Geersia 24
N. Carolino 30, Marnahis St. 27
N.C. Central 35, Bowlas St. 0
N.C. Central 35, Bowlas St. 0
N.C. Louislana 19, McNeese St. 1
Natre Dame 20, LSU 22
Presbyterian 17, Lib. Baorist 12
Richmond 45, VMI 3
Sovanach St. 13, Mars Hill 12
S. Carolina 42, E. Carolina 29
SE La. 21, Stephen F.Austin 21
SW Louislana 13, S. Mississipol 7
Tennessee 24, Georgia Tech 21
Tennessee 34, Georgia Tech 21
Virginia St. 18, Virginia Union 14
West Forces 34, Wm, & Mary 21
Wirshos 57, 23, Droke 6
Wilminstin (Chie) 14, Masschstr 6

MIDWEST
Adrian 64. Olivet 6
Akran 17, Tennessee Tech 9
Albian 10, Kolomazoo 9
Ashland 21, Evansville 7
Aupustona 28, North Central 6
Buffer 34. Franklin 27
Cen. Mich. 42, Bowling Green 21
Chicago 20, Ripon 6,
Cincianchi 40, Louisville 21
Cornell (10wa) 7, Ili, Coll, 3 Cincinnati 40. Lauisville 21
Cornell (Iowa) 7, III, Cell. 2
Dakata West. 25, Yankian Cell. 7
Davion 35. Westeyan 19: Vo., 13
Denison 19, Trinity (Texas) 7
Denouv 36. Kenvan 12
Dubuque 20, Simpson 7
Indiana 51, 27, Southern Illinais 10
Iowa 26. Indiana 30

Indiana St. 27. Southern I Illineis 10 Iowa 24, Indiana 20 Iowa 24, Indiana 20 Iowa 24. Id. Missouri 14 Iowa West. 16, Lokeland (Wis.) 6 Kansas 28, Oktohema 11 Kent 51, 17, Taieda 6 Loke Forest 18, Lowrence 7 Mocatester 20, Bethel 0 Miomi (Ohio) 20, Northern III. 7 Michigan 31, 23, Minnesola 13 Mid Am. Noz. 16, Culver-Strickto 13 Mid Am. Noz. 16, Culver-Strickto 13 Michigan St. 28, Minnesola 13
Mid Am. Noz. 14, Culver-Sickin 13
Midland 49, Concordio 20
Millikin 21, Elmiturst 14
Milliags (Miss.) 24, Wash. 25
Minn-Dyluft 32, Northern St. 3
Minn-Myruft 37, Southwest St. 3
Minn-Myruft 37, Washburn 21
Ma. Southern 22, Fort Hoys St. 15
Ma. Vestern 37, Washburn 21
Ma. Southern 22, Fort Hoys St. 15
Ma. Valley 12, Central Methods 0
Ma. Rolla 27, Lincoln 3
Monmouth 48, Grincell 7
Moerheed St. 21, Winena St. 20

Mormouth 48, Grinnell 7
Moerheed St. 21, Winona St. 20
Muskingum 49, Ohlo Weslevon 0
NW Missourt 30, SE Missourt 28
Nebraska 42, Kansas St. 14
Nebraska Wesleyon 20, Hostos 17
Northwestern 47, Chadron St. 7
Northwestern 47, Chadron St. 7
Nthwakt (Wis.) 12, Moranath 6
Oberlin 15, Wooster 14
Chio Narthera 1, Storietta 1, (No.) Onlio Northern 3, Mortelita 3 (He) Peru St. 36. Westmor 18 Pitisburg Sitos 18, Keorney St. 9 Purdue 49, Northwestern 7 S. Dakolo 45, S. Dakola St. 42

Wis-Le Crosse 31, Wis, Oshkoshe Wis-Eou Clotre 26. Wis. Whitewater 21 Wisconskin 16. Ohio St. 14 Wildensker 37, Copital 9 Ympslown 52. 23, Middle Teru. 13 SOUTHWEST Angelo St. 30, Abilene Christian 7 Arkonaos 17. Houston 3 Arkansos St. 51. Texas-Arkstin 21 Augith Coll. 13, Manurray Coll. 10 Arkansos St. St. Texas-Artnotin 21
Aughin Coll. 12, Micmurroy Coll. 10
Bishop Coll. 34. Texas Luth. 12
Cent. State (Okto) 31, Comeron 7
Cent. Arkansos 21, Ark. Tech 14
E. Cent. Okto. 48. SE Okto. 7
For? Lewis 10, W. N.M. 19
Heward Payne 20, E. N.M. 13
Louisland Tech 22, Londor 7
Oklahama 51, 20, Colorado 14
Ouochina 20, Ark. Pine Bluff 14
Ponhandele 55, N.M. Highlands 11
S. Arkonsos 29, Henderson 25
SW Texas 27, N. Texas 19
Torleton 91, 37, Sul Ress 14
Texas Acht 38, Ricc 14
Texas Acht 29, E. Texas 23

Toronto St. Lauis Detroil Minnesoto Texas A&J 29, E. Texas 23 Texas Christian 38, Baylor 28 Texas 13, Southern Methodist 7 W. Texas St. 21, N.M. 51, 13 Teresto
Quebec
Q FAR WEST

FAR. WEST
ADams SJ. 20. Mesa 17
CS. Northridge 17. Col Luin, 15
Col Poly-SLO 28, St. Marrys 18
Chica St. 32, Humbeldt St. 18
Cols. Mines 42, S. Colerado 9
East, Washington 47, Idaho St. 23
Fullerton St. 42, Long Beach St. 28
Idaho 49, Monthen 19 Fullerton St. 42. Long Beach St. 28 Idoha 40, Montona 39 LoVerne 34. Cleremont-Mudd 10 Linfield 2. Pocific 0 Montona 51, 22. Boise 51, 18 Nebrasko-Omotop 21, N. Colo. 14 Nevado-Reno 25, Weber 51, 27 Poc. Luftheron 34, Lws & Cirk 14 Portland St. 28, Wisconsin-Stout 3 S. Uldh St. 18, Western 31, 8 Son Jose 51, 18, Frespo 51 17 S. Utah St. 18, Western St. 8
Son Jace St. 18, Fresno St. 17
Sonta Clara 12, S.F. State 6
Simon Fraser 17 W. Washington 7
Southern Cal. 11, California 7
Stanford 20, Oregon St. 21
U.C. Davis 12, Harwoord St. 12
U.C.L 21, Arlismo St. 23
Utah St. 41, Pacific 14
Utah 43, Texas-El Pase 15
W. Oregon 32, E. Oregon 12
Washington 32, Arizona 12
Washington 32, Coregon 41
Whittier 34, Rediands 7
Whittier 34, Rediands 7
Whittier 34, Rediands 7

CFL Results Sefurday's Games Hamilton 25, Teranto 20 British Columbia 20, Winnis

Hockey

Philadelphio 8 1 3-4 New Jerset 1 6-2 Erikason (1), Proop (7), Smith (2), Howe (3): Ludvia (2), Muller (4), Shots on goal: Philadelphia (on Respi) 6-6-11-23; New Jersey (on Lindbergh) 14-8-30. Tombellini 2 (9), Human (2), McLinnis (3), Rainharf (7); Ilmacok (4) Frycer (4), Derlood (4), Shots on goal: Calgory (on Bester) 12-9-33; Toronto (on Edwards) 5-7-11-21.
N.Y. Rampers 9 3 2-6
Quatiec 1 1 8-2
Don McLoney (2), Erixon (2), Sandstrom (6), Lorouche 2 (2); Bershund (2), Soverd (2).
Shets on goal: Rainpers (on Bauchard) 13-10-8-31; Quebec (on Honlon) 8-14-8-30.
Sertina 3 4 1-6

Negricons Rustated Association
NEW JERSEY—Signed Kelvin Romsey,
subre, to a two-year contract,
WASHINGTON—Placed Jeff Malone,
guard, on Internal reserve.

Buffele 1 2 4-3
Detrett 1 2 4-7
Foster (2), Yzermon (2), Corodnick 2 (5),
Manno (1), Gare 2 (3); Perreoult (5), Hamel
(2), Tucker (1), Shotz as Gast: Buffelo (on Stefan) 448-20; Detrett (an Barrasso) 5-10-2.
Lina Anceles 1 1 2-2
Edmontsis 2 5 1-3
Lindstrom (1), Huches 2 (2), Kurrl 2 (7),
Krushelmsti (4), Coffer (4), Anderson (6);
Los Angeles (on Fulr) 7-9-15-31; Edmonton ton Elliot) 13-4-8-30,
SATURDAY'S RESULTS
Harriord 1 2 2-5
Minnesate 2 8 1-3
Johnson (3), Crowford (a), Beateld 2 (4), Pierce (2); Maswell (2), Solbetin (3), Holmjorin (1), Shots an specit Harriford (on Melloch) 15-56-27
Chicage 1 3-5
St. Louis 2 3, Secord (3), Crowford (4), Shots on specit
Chicage 1 3-6
D. Witson 7 (3), Secord (3), Dictyk (4),
Lormer (3); Wickenhelser (2), Poslowski (1),
Anderson (7), LuVolice (4), Shots an specit
Chicage (6), Shots an specit
Chicage (7), LuVolice (4), Shots an specit
Chicage (6), Shots an specit
Chicage (7), LuVolice (4), Shots an specit
Chicage (7), LuVolice (8), Shots an specit
Chicage (7), LuVolice (1), Shots an specit
Chicage (7), Chicage (

Basketball ↑ : : : NBA Standings W L Pct
2 0 1.000
1 6 1.000
1 0 1.000
1 1 .500
1 1 .500
1 1 .500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | 500 | 1 | Pacific Division 1 0 1.000 — 1 0 1,000 -1 0 1,000

1 0 1.000 — 0 1 .000 1 0 2 .005 11/2 Philipdelphile 22 5 13 29—111-(Molane 26, Tanev 19; Anderson 27, Cook 17). Rzboendi: Philipdelphile 46, (Molane 19); Cloveland 45 (Turein 16). Attente 22 23 23 34—119 27 28 27 26—10d

erdson (5). Rebounds: Affendo 48 (Levingsion 8): New Jersey 47 (B.Williams 10).
Boston 30 34 34 32-438
Defreit 32 39 31 39-422

European Soccer

Bordeaux 1, Sochsux 8
Tours 2, Metz 1
TALIAN FIRST DIVISION .
Antienth 1, Napell 0
Auelline 4, Udinese 1
AC Miller 2, Inter-Adjon 1
Come 1, Accell 0 Come 1, Ascoll 0
Juvenius 1, Rome 1 Lazio 2 Cremonese 1, orio 2. Torino 2 .

Verono 2, Florentino 1
WEST GERMAN FIRST DIVISION
Korisrute B, Koberslouiern 0
VFL Bechum 1, Armipia Bleiefleid 3
Weldhof Monetheim 1, Borussia Dortmand 1
St Hembury 1, Bover Uerdinoen 1
Einfracht Frankturt 1, PC Kote 4
Forfuna Dusseldorf 2 VFB Stutteert 2
Bayer Levisa 8, Enfreth Brounschup 2
Borussia Monethen 1, Werder Breenen 1
Scholite 1, Bovern Mursich 1

Johnson 15. Maharn 14), Rebounds: Washing-ton 46 (Maharn 12), Chicago 46 (S.Johnson Ulan 24 25 15 30—96 Scottle 21 24 35 22—102 (Vranes 24, Wood 2): Griffith 21, Green 20) Rebounds: Ulah 47 (Drew 71. Sectitle 65 (Skirm 17), Phoenix 24 25 20—122 Golden, State 25 23 21 29—114 (Edwards 30. Faster 22: Flowd 22. Short 24), Rebounds: Phoenix 52 (Mance 11), Golden State 43 (Smith 8).

State 47 (Smith 8).

SATURDAY'S RESULTS
Houston
27 36 24 24—121
Delles
31 28 28 36—111
(Olotuwen 24, Lucqs 22; Aguirra 32, Vincent
29). Rebeands: Houston 42 (Sampson 13);
Dollas 32 (Aguirre 9).
Weshington
27 23 28 28—164
bodiana
27 25 34 26—162
(Ruland 31, Ballard 25; Thomas 22, H. Williams
(Ruland 31, Ballard 25; Thomas 22, H. Williams
(Ruland 19); Indiano 58 (H. Williams
19).

151. L.A. Clippers Utek 23 28 22 36—163 28 19 22 25—94 Urbs 27, Johnson 28: Griffith 22, Drew 16), Rebounds: L.A. 70 (Donaldson 13); Utali 39 (Ecton 9).

(exten 9).

Chicogo 27 26 30 21 —164
Milwauke 30 17 25 33—188
(Cummines 34 Moncrief 19: Woolridge 29,
Jordan 21: Rebassels: Chicogo 49 (Corzine
9): Milwaukes 47 (Lister 12).
Golden 54, 31 27 32 21—121
Desver 32 25 25 28—122
(English 29, Norlt 19; Short 33, Braiz 19)
Rebessels: Golden State 45 (Whitehead 11);
Demver 48 (Cooper 13).

LA Laters 25 25 36 32—112
Sen Antenia 34 32 27 26—113
(Gervin 32, Gillmore 12). Sen Antenie (Gervin 22. Gilmore 18: Johnson 32. Worthy 19). Rebounds: Lokers 38 (Worthy, McAdon 8); Sen Antenio 47 (Gilmore 21).

er, son amonso 47 (Girnere 21).

Porthand 29 33 34 49—146

Konses City 29 33 32 24—119

(Vondeweighe 47, Pexson 26; Johnson 38,

Drew 14), Rebeunds: Portland 63 (Ar. Thompson 10).

Philodelphia 22 37 32 25—111

Allouis 27—148 Alloute. 22 27 27—182
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New York (Kins 34, Wilkins 24; Loimbeer 28, Round-field: 27). Rebounds: Defroit 46 (Loimbeer 16); New York 45 (Wilkins 10).



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SPORTS

Stabler, Unsure of Role With Saints, Suddenly Quits as NFL Quarterback

NEW ORLEANS - Ken Stabler, one of the most accurate passers in National Football League history, has retired from professional football, effective immediately, the New Orleans Saints an-

Stabler's agent, Phillip Henry Pitts, said Friday from Bay Minnette, Alabama: "Under the circurnstances, he thought it was best

Fans in New Orleans had been complaining that Stabler was not good enough this year. Stabler had been serving as understudy to Richard Todd this season and had completed just 33 of 70 pass attempts - a 47-percent average for just two touchdowns. The three games in which he appeared were all losing efforts -- at San Francisco, at home against the Los Angeles Rams and on the road at Dallas.

New Orleans opened the season with playoff expectations but had a 3-5 record going into Sunday's game at Cleveland, where thirdyear quarterback Dave Wilson was to serve as No. 2 behind Todd against the Browns.

Stabler, who will be 39 years old on Christmas Day, was quoted in local press reports as saying that he changed his mind about waiting until the season ended to retire af-ter talking with the Saints' coach,



Ken Stabler

team was and the inevitability that

Football Conference in passing
I wasn't going to get the opportuniyards with 1,997 in 1973 and led the I wasn't going to get the opportunity to do anything." Stabler was quoted as saying Saturday. "They are going to go with Richard and Dave. Burn told me that in two weeks they were going to make room for Brad Edeiman and Gene Goodlow and that they needed that they would have a find the state of the state Goodlow and that they would have to put somebody on injured reserve and I was going to be the guy. "Before today, I always felt that

and off the field, and we hate to see ter talking with the Saints' coach,
Bum Phillips.

"I was unhappy with my contribution and unhappy where the him go," Phillips said, "He's always done what we asked him to do. He gave everything he had to help this team and every team he's ever played with to make them winner

> leadership. He's been good for this "But he's more to me than just a player. He's my good friend. I'll miss him professionally, sure, but I'll also miss him personally."

closest friends and admirers.

"He has been nothing but a cred-

it to the game his entire career, on

We will miss his ability and his

that. So I just want to leave with class."

Stabler's fourth-quarter fumble last Sunday against Dallas pro-

duced the game-tying touchdown that sparked the Cowboys to a 30-

27 overtime victory against the Saints. After the fumble, Stabler

threw two interceptions in the final

two minutes. He finished 2-for-9

But Pitts said Stabler's poor per-formance against the Cowboys had nothing to do with his decision to

"No, when you get to his age, it always has to enter his mind," Pitts

said. "I think he did everything he

could to entertain and to produce a winner in New Orleans. I think

they're going to have a winner."

Stabler finished his career with

2,270 completions in 3,793 at-

tempts — nearly a 60-percent average — for 27,938 yards and 194 touchdowns. He led the American

Stabler's professional football career began when the Oakland Raiders drafted him in 1968 after an All-America national champi-onship year at the University of Alabama. He spent 1968 on the Raiders' taxi squad and played in 1969 with the Spokane Shockers of the Continental Football League before finally making Oakland's final roster in 1970.

During a 10-year career with Oakland, Stabler guided the Raid-ers to a 32-14 decision over Minnesota in Super Bowl XI, played at the end of the 1976 season, the year in which he was named the NFL's

to Houston, where Phillips was head coach at the time, and the Oilers reunited Stabler with Phillips in 1982 at New Orleans....



dney McCray of the Houston Rockets scoring against the Dallas Mavericks in the opening NBA game for both clubs.

considering a compromise that could open the way for Soviet-bloc participation in the 1988 Olympic Games, according to sources close to the International Olympic Commit-

an territory. It would also include an agree-ment by North and South Korea to compete in the 1988 Games with a single team.

Soviet and other East European sports

officials have repeatedly hinted that they

may boycott the 1988 Games because they

for the same reason.

Jordan, Used as Decoy, Starts Slowly As Bulls Overcome Bullets, 109-93

tion was that of a decoy.

The highly-touted rookie from North Carolina and the U.S. Olym-North Carolina and the U.S. Olympic team had what Coach Kevin Loughery labeled a "poor" game in Friday night's season opener against the Washington Bullets.

But with Washington Bullets.

But with Washington condenser training on Jordan, Orlando Woolinto a rout.

ridge and Quintin Dailey responded to give the Bulls a 109-93

Elsewhere Friday, Boston de-feated Detroit, 130-123 Philadelphia downed Cleveland, 111-101; Atlanta topped New Jersey, 119-104; Seattle beat Utah, 102-94, and Phoenix upended Golden State, On Saturday, it was Houston

On Sahirday, it was Houston 121, Dallas 111; New York 137, Detroit 118; Philadelphia 111, Atlanta 108; New Jersey 131, Cleveland, 106; Portland 140, Kansas City 119; San Antonio 113, the Los Angeles Lakers 112; Washington 104, Indiana 102; Milwankee 108, Chicago 106; Denver 125, Golden State 121; and the Los Angeles Clippers 103, Utah 94. Clippers 103, Utah 94.

Jordan, last year's College Player of the Year and a leader on the U.S. team that won the gold medal, scored 16 points on Friday. But he was only 5 of 16 from the floor, and he made five turnovers.

2 Koreas Said to Discuss Moving Some Olympic Events to North

opening night, his best contributioned. "If I can be a decoy, that is just fine with me."

Woolridge led all scorers with 28 all of the parts were working," said points while Dailey added 25, in-

NBA FOCUS

cluding 12 in the final quarter when Chicago expanded a 78-74 lead

"He's going to open up a lot of things for me," Dailey said. "I was able to come off the bench and get my shots. In that last quarter, they might have been on Michael a little more and it opened it up for me." Woolridge, who also grabbed nine rebounds, said Jordan's presence was a big lift for the team.

"Look at the way the crowd was

here and responded. Not only are we going to have less pressure on us to get all the offense like last year," Woolridge said, "but in a game like tonight, we can shake free for some baskets when they are concentrating on Jordan."

Loughery said that although lor-dan had an off night shooting, he was able to make crisp passes and play a major role in a defense that helped hold the Bullets to 40 percent shooting from the floor.

"To be honest with you, it wasn't one of Michael's better games. He can play a lot better," Loughery said. "But he passed well and did a "If they want to double up on lot of other things for us."

CHICAGO — Michael Jordan other guys," said Jordan, who received a standing ovation from the Chicago Bulls this season, but on the crowd of 13,913 when he was intro-

"I was just checking to make sure

ache after the game Ruland, who scored 12 points, said that Jordan had run into him. "I didn't hear the whistle and rried to catch him from falling,"

Ruland said. "I don't want to hurt Washington had six players in double figures. Gus Williams, ne ly acquired from Scattle, and Frank Johnson paced the Bullets with 15 points each. They combined for 12 points in the third quarter, when the Bullets reduced a 70-53 deficit with 8:49 left to 78-74 at the start of

the final quarter.

But Dailey hit three straight bas-kets and Jordan hit two free throws to increase Chicago's lead to 86-74 before Washington could score

with 8:30 left in the game.
"The fact that they scored the first six baskets with layups and his nine layups in the first period was important for them. That never happens to us," said Washington coach Gene Shue, "We tried to control tempo and transition last year but we didn't tonight."

Shue said the Bulls, 27-55 one year ago, have the makings of a good team."No injuries and it looks like they can have an exciting

Washington State Wins As Rushing Mark Is Set

EUGENE, Oregon — A Canadian, Rueben Mayes, broke the sin-gle-game NCAA college football rushing record Saturday in leading Washington State to a 50-41 victory over Oregon. Elsewhere, field goal kickers helped Kansas to upset Oklahoma and Wisconsin to sur-

Mayes, a 206-pound junior from North Battleford, Saskatchewan, nished for 357 yards and scored

COLLEGE FOOTBALL

three touchdowns in Washington State's Pac-10 victory. The previous single-game rushing record, 356 yards, was set by Eddie Lee Ivery of Georgia Tech against Air

Mayes, who scored five tolichdowns against Stanford last week, also broke the Pac-10 rushing mark of 347 yards, set by Southern California's Ricky Bell against Washington State in 1976.

Mayes's touchdowns included a down run in the final quarter. Oregon (4-4), which had tra

30-26 in the third period and was on an interception and a fumble, within 47-41 in the final quarter. It two of nine Huskie turnovers. within 47-41 in the final quarter. It took John Traut's third field goal of the game, a 39-yarder with 56 seconds left, to clinch the victory for

Washington State (4-4). Just before that, Mayes gained 4 yards on his last carry to put him one yard over the mark. When they announced it on the loudspeaker, I just wanted to win," he

But he added, "It is just great to advanced past the Texas 15. break the record." Oregon coach Rich Brooks said the record was attributable in large part to his team's poor tackling.

fine back and made cuts at the right time," Brooks said. "But there's still no excuse for our shoddy tack-ling. He's a hell of a back, but we halftime lead. The Wildcats' record made him look a little bit better dropped to 2-6. than he is.

ers (5-1-1) to an early field goal and a 1-yard touckdown run and twopoint conversion late in the game, and blocked an Oklahoma punt for

Wisconsin 16, Ohio St. 14 In Madison, Wisconsin, freshman Todd Gregoire kicked field goals of 27, 35 and 34 yards to lift Wisconsin to a 16-14 upset over Ohio State. Wisconsin (5-3) also scored on a 34-yard touchdown pass from Mike Howard to Thad McFadden. Ohio State (6-2) fell out of a tie for the Big 10 confer-ence lead with Iowa, which beat Indiana, 24-20. Keith Byars, the

Texas 13, Southern Methodist 7 2) twice in the last nine minute

Nebrocks 67 Kansas St. 14

Buckeye runner who leads the nation in rushing, suffered a sprained ankle after gaining 141 yards on 25 carries. Washington 28, Arizona 12 In Seattle, Jacque Robinson

rushed for 125 yards and three touchdowns, including a 50-yard run on a draw play in the fourth quarter, and Steve Alvord returned 69-yard run in the second period a fumble 22 yards for another score He also had a 2-yard score in the as Washington (8-0) defeated Ari-first period and a 12-yard touchby Arizona (4-4) set up Washing-Oregon (4-4), which had trailed ton touchdowns, while the Wild-30-20 at the half, closed the gap to

> In Austin, Texas, quarterback Todd Dodge withstood a strong rush to help Texas control the football early, and Texas held on to defeat Southern Methodist, 13-7. The Longhorns (5-0-1) preserved the victory by holding off SMU (4both times after the Cougars had

In Lincoln, Nebraska, quarterback Travis Turner ran for two Mayes had a great game. He's a first-half touchdowns and passed for another as Nebraska trounced Kansas State, 62-14. Turner staked

Notre Dame 30, Louisiana St. 22 Kansas 28, Oklahoma 11

In Baton Rouge, Louisiana, Allin Lawrence, Kansas, Dodge len Pinkett rushed for two touch-downs and 163 yards in a school-29. 19, 45 and 31 yards to help record 44 carries as Notre Dame Kansas upset Oklahoma, 28-11. upset Louisiana State, 30-22.

most valuable player. The Raiders traded him in 1980

Last season, Stabler completed 176 of 311 passes for 1,988 yards as the Saints' 8-8 finish matched their

Tie by Marietta

Ends One Streak,

Extends Another

MARIETTA, Ohio - Mari-

etta College halted the nation's

less string to 41 games with a 3-3 tie against Ohio Northern.

since the third game of the 1980 season. After that victory, Mar-

ietta lost five straight, tied one game and then lost 34 in a row

before tying on Saturday. In

their last 41 games, the Pioneers

Marietta took a 3-0 lead Sat-

urday on Wally Kandel's 29-yard field goal, but Ohio North-ern tied it with 14:49 left in the

final period on Tom Kaplan's

Marietta could not get be-yond the Ohio Northern 40-

yard line the rest of the way,

and Kandel never got a chance

to try for a field goal that would have ended the winless streak.

41-yard field goal.

are 0.39-2.

The Pioneers have not won

United Press Interna

face-saving device to allow the Soviet bloc to LAUSANNE, Switzerland — North and participate in the 1988 Games on the South Korean sports officials are quietly grounds they were being held in both Koreas, the sources added.

The suggested compromise would transfer some of the Seoul Olympic competitions to the North Korean capital, Pyongyang, or to another site north of the demilitarized zone dividing the two Koreas. The border lies 24 miles (39 kilometers) north of Seoul.

The proposed compromise would involve moving at least some of the 23 sports events on the program from Seoul into North Kore-Inter-Korean talks for setting up a joint 1988 team broke down earlier this year, but Roh Tae Woo, president of the Seoul Organizing Committee, recently proposed that they be reopened. The director of the IOC, Monique Ber-

houx, said that she had heard unofficially of do not have diplomatic relations with South Korea. Most of the Soviet bloc boycotted the the possible compromise but that no formal 1978 world shooting championships in Scotl proposal has been submitted to the IOC. 1978 world shooting championships in Scoul Alexandru Siperco of Romania, the IOC's

to spill into North Korean territory would require the IOC's formal approval. A 1981 IOC session in Baden Baden, West

Germany, selected Seoul as the site of the

1988 Games on a first secret ballot. Nagova. Japan, was the only other candidate.

Berlioux said the minutes of the Baden Baden session, which was held behind closed doors, showed no strong move by the Soviet-

bloc IOC members against the choice of Seoul. The Soviet bloc apparently recorded its objections merely by voting for Nagoya.

Meanwhile, Berlioux said that the refusal of three sports federations to reschedule events at the 1988 Olympics to suit U.S. television audiences could cost the IOC as anything as \$500 million. much as \$500 million.

She said that the federations controlling track and field, swimming and gymnastics are refusing to hold the final events in the The sources, who declined to be identified, said Friday that secret contacts were continuing between North and South Korean officials to reopen the stalled talks for a joint Korean Olympic teams.

The idea of moving some Olympic events to North Korea was raised in these informal contacts, the sources said. It would provide a said any proposal allowing the Scoul Games of Komanua, ine 10-0 s senior vice president and the only Soviet-bloc member of the IOC executive board, also said he had heard reports of the proposal.

"Any such riove would have to be officially proposed by the Scoul Organizing Committee," Siperco said. In addition, Berlioux said any proposal allowing the Scoul Games

Alexandru Stperco of Romanua, ine 10-0 s senior vice president and the only Soviet-bloc member of the IOC executive board, also said he had heard reports of the proposal.

"Any such riove would have to be officially proposed by the Scoul Organizing Committee," Siperco said. In addition, Berlioux said any proposal allowing the Scoul Games morning, Korean time, which would enable

anch, said afterward that the proposed schedule changes could affect the health of athletes and should not be changed "just for the money." He did not mention the amount of money involved.

Berlioux, however, said the IOC expected to receive between \$500 million and \$700 million for the Seoul television rights if the finals of major sports are held in the morning but that this income would drop to \$200 million to \$300 million if the usual late afternoon schedule is maintained.

All three U.S. major networks — ABC, NBC and CBS — are still in the buffer for the Seoul Games Regligue said The negotian.

the Seoul Games, Berlioux said. The negotia-tions are to be completed in talks with the three networks scheduled at IOC headquarters in Laussane in January.

■ New Director for USOC

The U.S. Olympic Committee's executive board has named General George D. Miller, 54, to replace Colonel F. Don Miller as the committee's executive director. The New York Times reported from Orlando, Florida. General Miller, who will be paid \$150,000 a year, was the unanimous choice of the search mittee that interviewed five finalists on

Orioles' Failure to Hit With 'Pawah' **Boosts Confidence of Japan's Fans**

By John Burgess
Washington Past Service
TOKYO — The question among

all 33,000 fans Saturday at Korakuen Stadium seemed to be the
same: Where is that famous Amerisecond game of the Orioles' 15who as a player who hit 868 home longest college football losing streak at 34 games Saturday, but extended the longest wincan batting "pawah?"
Many Japanese followers of

tically at will. But on Saturday, the spectators watched the Baltimore Orioles pump out a feeble series of grounders, foul balls and easy pop files in the first game of a three-files in the first game of a three-files hall and easy pop files in the first game of a three-files hall and easy pop files in the first game of a three-files hall and easy pop files in the first game of a three-files hall and easy pop files hall and easy pop files in the first game of a three-files hall and easy pop files hall and

with the action but delighted with the scoreboard's final reading, a 1-0 league championship, shutout for this year's Japanese champions, the Hiroshima Toyo the Orioles meet the Yomiuri Gi-

On Sunday, the fans got a slight- but who retain the largest fan fol- looked alike to me.

game tour.

week exhibition tour. Not one ball they play top-class ball.
went over the fence. "This is the first step toward a "I want to see a home run," said real, international world series," an impatient Harumi Michikawa, said the Japanese baseball commiswho was getting her first look at pro ball, U.S. style. sioner, Takezo Shimoda. For years, the Japanese have complained about the use of World Series to the Japanese have complained about the use of World Series to designate the American major-

ants, who finished third this year,

ly improved look at U.S. "pawah," lowing. Only about two-thirds of but not as much satisfaction from the seats at Saturday's game were the final score. Todd Cruz's two filled; the games with the Giants

That result notwithstanding the on's U.S. career record of 755, Many Japanese followers of baseball believe that American major leaguers have the "pawah" to knock the ball out of the park practices of baseball nationalism are burning in Japan, and a good showing against the Orioles would problem. knock the ball out of the park pracing against the Orioles would probfrom them than they get from us,"
tically at will. But on Saturday, the
ably fan them. The exposure the
he said. "They are 75 years ahead

seven innings. Baltimore managed only six hits, the Japanese three Carp pitcher Kasuhisa Kawaguchi struck out 10 of the Orioles.

Kawagochi said he just let fly. He said he did not watch the Orioles practice the day before out of fear of being demoralized, he said. But what were his impressions of

their big-time hitters? "I don't know," he said, "they all HOUSTON (UPI) — Kathy Rinaldi and Vince Van Patten defeated the top seeds and defending champions, Chris Evert Lloyd and Jimmy Connors, 4-6, 7-6, 6-4, Saturday night to advance to the final of the \$400,000 World Mixed Doubles championship.

Rinaldi and Van Patten were to play Betsy Nagelsen and Butch Walts in Sunday's final. Nagelson and Walts downed Zina Garrison and Sammy Giammalva, 7-5, 6-3, in the other semifinal Saturday.

In the quarterfinals Friday, Rinaldi and Van Patten, who were not In the quarterfinals Friday, Rinaldi and Van Patten, who were not seeded, defeated the third seeds, Carling Bassett and Eric Korita, 7-6 (8-6), 6-3. They won the first-set tiebreaker with five straight points. In the other quarterfinals, Event and Connors beat Gabriela Sabatini and José-Luis Clerc, 6-4, 6-1; Nagelsen and Walts defeated Billie Jean King and Peter Fleming, 3-6, 7-6 (7-3), 7-5; and Garrison and Giammalva eliminated Lisa Bonder and Ilie Nastase, 6-2, 6-1.

BRIGHTON, England (UPI) - Sylvia Hanika of West Germany produced a superb display of aggressive tennis Sunday to defeat the unseeded American Joanne Russell, 6-3, 1-6, 6-2, in the final of a \$175,000 tournament.

In Saturday's semifinals, Russell conceded 11 years but nothing else in outlasting Andrea Temesvari, the sixth-seeded Hungarian who upset Pam Shriver the day before, Hanika beat the talented French teenager Pascale

 In Hong Kong, Andres Gomez of Ecuador defeated Tomas Smid of Czechoslovakia, 6-3, 6-2, in Sunday's final. More significant was the doubles final, in which Ken Flach and Robert Seguso, both 21-year-old Americans, hung on after losing a tie-breaker to beat top-seeded Australians Mark Edmondson and Paul MacNamee, 6-7 (3-7), 6-3, 7-5.

Brown Ahead in Pensacola Golf by 1 PENSACOLA, Florida (UPI) — Ken Brown, lighting to keep his tour card, fired a 2-under-par 69 in wind and rain Saturday to take a one-stroke lead after three rounds of play in the \$300,000 Pensacola Open golf

Brown, who has won little more than \$20,000 in his first year on the U.S. tour and needs a high finish to retain his tour card, was at 10-under-par 203 for three rounds of play over the par 71 Perdido Bay County Club

One shot back at 9-under-par 204 were Bill Kratzert, who had a 71, John Mahaffey, who had a 70, and rookie Joey Sindelar, who had the best round of the day, a 66. Two shots back at 8-under-par 205 were Ralph Landrum, who shot a 73 after leading the tournament after each of the

first two rounds, and Dan Edwards, who had a 71. Wadkins Captures Rich Japan Title

NARITA, Japan (AP) — Lanny Wadkins of the United States fired a 63 Sunday to win the first World Championship of Golf and the \$81,633 first prize with a 14-under-par four-day total of 266 at the par-70 Oak Hills Country Club. He also received a \$12,245 luxury sports car from Nissan Motor Co. Ltd., co-sponsor of the \$489,800 tournament. Chen Tze-min of Taiwan and Nick Price of Britain shared second place with 270s for \$42,858 each. Tom Watson of the United States and David

IAAF Sets 15 Grand Prix Track Meets

Graham of Australia were fourth with 273s for \$26.535 each.

BRUSSELS (AP) — The International Amateur Athletics Federation will add a Grand Prix circuit of 15 track-and-field meets, a marathon World Cup and indoor World Games to its 1985 calendar.

The IAAF president, Primo Nebilio, said at the IAAF conference here that athletes will use the 15 track-and-field meets to qualify for the finals in Rome on Sept. 7. The Grand Prix Circuit includes meets in San Jose, California (May 25), Eugene, Oregon (June 1). Moscow (June 8), Prague (June 22), Stockholm (July 2), Helsinki (July 4), Nice (July 16), Oslo (July 27), London (July 19 and Aug. 2), Budapest (Aug. 4), Zurich (Aug. 21), West Berlin (Aug. 23), Cologne (Aug. 25) and Brussels (Aug. 30).

Grand Pix Circuit prizes will be awarded to the national athletic formations and the tableton Medical Cologne (Aug. 25).

federations and not the athletes, Nebiolo said. The athletes will remain amateurs," he said. "But we are living in 1984 and have to adjust to that. We do not pay the athletes directly, but the federations. The latter can see in any direction off the Verraza- freely decide what to do with the money."

The IAAF also announced that the first indoor World Games will be Larry Trader (2), a Red Wing defensement, trying to get past the Buffalo Sabres' Mal Davis during Detroit's 7-3 victory.

But the 26-year-old student, running in his 12th marathon, was able views of the race.

But the 26-year-old student, running in his 12th marathon, was able views of the race.

The IAAF also announced that the first motor world Cames will be did in Paris on Jan. 18-19. There will also be a marathon World Cup views of the race. event for men and women in Hiroshima, Japan, on April 14 and 15.

Wings Beat Sabres, 7-3, **Get 3 Empty-Net Goals**

DETROIT - Buffalo coach sidelined with a broken cheekbone Socity Bowman had nothing to say after Friday night's 7-3 loss to the Detroit Red Wings, in a penalty-filled game that was close until the Wings scored three empty-net goals in the final minute.

Social Rotte — Buffalo coach stdelined with a broken cheekform stdelined with a broken cheekform after receiving a fierce check from the Maple Leafs' Jim Korn Wednesday night.

"It wasn't the game plan," Polano said of the fighting with the Sabres. "You can't tell people to go with the Sabres." You can't tell people to go with the sabres. "You can't tell people to go with the sabres." You can't tell people to go with the sabres. "You can't tell people to go with the sabres."

goals in the final minute.

NHL FOCUS

man's postgame thoughts on the of them in the first period. Buffaempty-net goals. Two of the lastminute goals were scored by Danny Gare, whom Bowman traded to

In other games Friday, Edmonton thrashed Los Angeles, 8-2, and oronto and Quebec tied, 2-2. New York Islanders 3; the New major penalty and a game miscon-York Rangers 5, Quebec 2: Phila-duct for instigating the fight. Wildelphia 4, New Jersey 2; Pittsburgh liams picked up two minutes for

cago 5. St. Louis 4. memory of Darryl Sittler's scars second. He followed with a third at from a penalty-filled game 19:45.

Wednesday in Toronto. Sittler was

"He forgot to open the locker out and fight. I just told them to room door," an attendant said to stick up for each other. We didn't reporters waiting outside for Bow- want to have happen what happened in Toronto. Referee Ron Wicks handed out

79 minutes in penalites Friday, 43

lo's Mike Foligno and Detroit's

Dave Williams were the first two combatants to go off. They were followed by Adam Creighton and Reed Larson two minutes later. After a scramble in front of the Detroit net, Foligno jumped Wil-On Saturday, it was Boston 8, the liams and was given a 5-minute

6. Montreal 5: Calgary 5, Toronto roughing.
3: Los Angeles 2, Winnipeg 2: With or game, Bow With one minute left in the game, Bowman pulled goalie Tom Barasso. It was then that Bob The other coach in Friday's Red Manno scored the first of the three Wing-Sabre game, Nick Polano, Detroit empty-net goals, at 19:11.



Pizzalato Wins Marathon In Hot, Humid New York

NEW YORK - Orlando Pizzafield and the training he underwent in a recent heat wave in his native Italy, courageously held on Sunday to win the New York City Mara-

Pizzalato, after crossing the fin-

seconds, knelt down and kissed the street, much as Rod Dixon had done when he rallied last year in the final yards to win this event. In the women's race, meanwhile, Greta Waitz won her sixth New York marathon in 2:29:36. The 31year-old Norwegian appeared to have some stomach problems early,

Marathon this year. After some early morning fog burned off, increasing heat and unusually high humidity plagued the marathon. At the 17-mile (27.3 kilometer) mark, it was 74 degrees 2:16:22 Fahrenheit (23.3 Centigrade) with hurned on Pizzalato as he struggled up First Avenne.

to hold on, probably because of the NEW YORK — Orlando Pizza-lato, taking advantage of a weak had undergone recently during a similarly unusual hot spell in Italy. Pizzalato also endured heat and

humidity during the Summers Olympics in Los Angeles, where he

finished eighth in a 10,000-meter heat in 28:22. Pizzalato appeared to be wilting as he left Manhattan and headed to The Bronx at the 20-mile mark or "The Wall" as it is known to most runners — as he stopped several times and looked back to see

how close England's Dave Murphy

was drawing. He doused his head with water many times in the final miles. But apparently decided to run at the in the last 3 miles, just as it apfront all the way — the way Joan peared Murphy would close the Benoit beat her in the Olympic gap completely, Pizzalato mounted a second surge and began to pull away again.

The race began with log so heavy 86-percent humidity. A hot sun that the 18,365 starters could not no-Narrows Bridge, which usually

SPORTS BRIEFS Evert-Connors Defeated in Doubles

HOUSTON (UPI) — Kathy Rinaldi and Vince Van Patten defeater

Hanika Wins Brighton Tournament

LANGUAGE

Legislative Calumny

By William Safire WASHINGTON — "Fascist," reported The Associated Press from London, "joined the list of words that members may not call each other in the House of Commons.

What other words are too strong to be used in the Mother of Parliaments? I sent this query to the speaker, whose aide replied: "Erskine May did, in fact, once list banned words and, once a word was banned, it was added to that list and remained banned. However, with the latest edition . . . this list has been done away with, and a definition of the type of word or expression which should not be used is given instead."

Eschewing the sanitized edition of Erskine May's Treatise on the Law, Privileges, Proceedings and Usage of Parliament, I went to an early edition and found the old proscribed list.

This candid and unexpurgated guide included nouns like blackguard (from the most menial servant, who cleaned the blackened pots), cad (from cadet, an underling who was the object of scorn at British universities), coward, dog (along with the even more insulting cheeky young pup), guttersnipe, hoo-ligan, humbug, hypocrite, jackass, murderer, pharisee, rat, stool pigeon (from the decoy bird used by hunters, which was usually attached to a stool to attract other pigeons into a trap), swine, traitor and the comparatively mild villoin.

The more general rules in today's Parliament warn against "the imputation of false motives . . . the accusation of misrepresentation charges of uttering a deliber-

ate falsehood . . . abusive and insulting language." However, "expressions which are unparliamentary when applied to individuals are not always so considered when applied to a whole party." Thus, the "guttersnipe par-ty" might get through. And the usage book notes that "the word nnious has generally been held to be in order. You are thus permitted to denounce an opponent as a calumniator, one who maliciously utters falsehoods intended to blacken another's reputation, which strikes me as rougher than cheeky young pup. Shakespeare used that word in an observation by Hamlet to Ophelia: "Be thou as

shalt not escape calumny."

In the United States, the House of Representatives operates on the same we'll-tell-you-later basis when it comes to specific words. When a member calls another a demagogue, for example, the at-tacked member may ask that "the words be taken down"; the House Parliamentarian, William Holmes Brown, or one of his assistants then opens a little green box on his desk to see if the word is among the banned.

A few years ago, Speaker Thomas P. O'Neill Jr. said that Representative Margaret Heckler, now secretary of health and human services, had been "duped"; it turned out that dupe is among the no-nos in the little green box, and the speaker was punished by not being permitted to speak for the rest of the day. In the U.S. Senate, Rule 19 pro-

tects senators from the hot words of their colleagues; the presiding officer's opinion decides if language impugns motives or is generally unbecoming. The Parliamentarian of the Senate, Robert Dove, exhumed a few records for me. In 1937. Senator Tom Connally of Texas lit into Senator Bennett Champ Clark of Missouri with "I protest against the Senate being made a sewer by the vaporings of the senator from Missouri," and he was shut up for that. Thirteen years later, as presiding officer, it was Connally who slapped down Senafor William Jenner of Indiana for unfairly blasting Senator Millard Tydings of Maryland for "the most scandalous and brazen whitewash of a treasonable conspiracy in our history, who would continue to cover up these termites and vermin who, even as I speak, are gnawing at the foundations of our freedom. (This was not the earliest use of cover up, which had become a noun

Since the 1950s, however, re-cords of the offensive phrases are not kept to guide the presiding officers, as such terms are now expunged from the record and do not officially exist. Old-timers remember Senator Homer Capehart of Indiana when he was savaged as "a rancid tub of ignorance," which was considered then, and would be

considered now, beyond the pail. New York Times Service

The New Look on New York's Bowery

By Esther B. Fein

New York Times Service
New YORK — Pleased that
she had discount to the She had discovered a spacious Manhattan apartment for a reasonable rent, Eileen Bernstein called home. She told her mother about the large rooms, the space to move about, the fair price. Then she told her about the neighborhood. "You're living where?" her

mother shouted. "The Bowery, mom," she answered. "Only it's not as bad as you think."

To Bernstein's mother, who lives in New Jersey, and her brother, a lawyer who lives on the Upper East Side, the move simply meant that she was crazy. To Bernstein it was a good deal. "I like to think of myself as business-savvy," said the 25-year-old film producer, who shares an apartment on Allen Street just off the Bowery with two friends. "I like a bargain, and there's no question in my mind that the Bowery will eventually be like the Upper West Side and I'll have gotten in before the rush."

The Bowery has traditionally been the symbol of the downand-out New Yorker. No one even bothered to decide whether it was an avenue or a street. It was just the Bowery, a 20-block stretch from Chatham Square in Chinatown to Cooper Square.

But the Bowery is changing in subtle ways. There are more business suits and leather briefcases on the area's subway platforms in the morning. "For Sale" signs that not long ago would linger on empty buildings are taken down almost as quickly as they are put up. Large portable trash bins are parked in front of brownstones that soon sprout fresh paint jobs and new brass doorknobs.

And as workers move plasterboard and ladders into dilapidated tenements, the Bowery's street people watch the face of the buildings and the neighborhood slowly change.

The difference between the old and the new is particularly striking on the Bowery, which has long been identified with the homeless and the dreamless who found their way to the missions and the flophouses of what seemed to them a forgotten strip of Manhattan.



The new and the old on New York's Bowery, long a symbol of the down-and-out.

Even as the neighborhood changes and people like Bern-stein move in those others remain on the Bowery, curled in doorways and sleeping on beds of broken glass. "The Bowery has this traditional character," said Jim Metzinger, director of community relations and development for the Bowery Residents' Committee, an organization that deals with the homeless and mentally disturbed. "People wind up here because they have always known it's a place they could find refuge. Obviously changes on the

Bowery have a great impact on these people." But some of the men who live there insist that they do not fear change on the Bowery. Some are not sure that it can make much of a dent in the way the area is. Others are not sure the changes even register with the street peo-

"They see it," said Alfred

Marco, 34, who lived on the street

in the Bowery for four years and

has been living at the Bowery Mission for the past month. "But

There are also people who consider the Bowery more than a repository of society's forgotten souls. They are the working people, many of them immigrants, who have used the Bowery as a foothold in the city.

They are skeptical about the area of "opportunity." Some say they remember when professionals would visit only to buy lamps in the row of lighting-lixture

who have moved into the neighborhood say part of its appeal is that it is not homogeneous.

iiving here is that I have come to night, they'll lose what little trust the neighborhood more," passes for their home."

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they don't care as long as they Bernstein said. "I wish there have a bottle and a wall to lean could be a balance in upgrading

The poor have already begun to feel the effects of the changes

The poor feel the change, according to Metzinger. They see that it's highly competitive for each bed," he said. They worry

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A Tradition of Guns

By Paul Recer Associated Press

HOUSTON — Guns are en-shrined in Texas's frontier history, revered in memories of cowboys and cattle drives, and preserved by some of the most liberal gun laws in the United States.

Guns are easy to get and keep in Texas. Some estimates say they can be found in about 70 percent of the state's households.

But some social scientists predict trouble as the state's explosive population growth rubs up against the gun ownership tradition and creates ideal conditions for a sharp increase in violent crime.

No official statistics exist on gun ownership in Texas because no one is required to register an ordinary

But the state has 1.2 million licensed hunters, one of the highest per-capita rates in the nation. And according to the federal government, Texas has 10,310 registered machine guns, the most in the United States.

The state has more than 190,000 guns by the thousands. members of the National Rifle Association, second only to California, and Houston is the regular host of what is regarded as the United States's largest gun show.

Texas's only major firearms possession restrictions are on handguns, machine guns and sawed-off shotguns and rifles. Any adult Texan who is not a felon may own a while hunting or fishing.

be owned if they are registered and are part of a collection.

By law, any adult Texan, except

as a growing tendency in Texas to rates" and the use of guns. use guns to settle arguments or to express frustration. It is an element, they say, of the rural southral until recent decades, bridges both regions.

Even as Texas becomes the secentists say it still marks a coming of lence, he added.

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age for city dwellers, just as it once did for farm and ranch families. "It doesn't make any sense for a 14-year-old to have a gun in Houston and yet they do," said Joe Feagin, a professor of sociology at the University of Texas. "We have a lot of values in this country that don't really fit any more. Those values last a long time and become part of our culture."

The underside of this Texas tradition is the increasing use of guns in crimes.

Last year, firearms were used in more than 67 percent of all Houston homicides. According to a Filice spokesman, J. C. Mosier, In Dallas, Lieutenant Ron Waldrop. who works in homicide, said 80 percent of all murders involved firearms.

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Firearms are also the most popul far means to suicide. Moster said officers investigating suicides often report finding on the body a receipt for the recent purchase of the death weapon and its ammunition. And police officers confiscate

Some are taken in criminal investigations, but most turn up in cars stopped for traffic violations or seized from people carrying them illegally. Many are returned by court order, but Mosier said the police annually melted down about 3,000 pistols and sold the metal for

Although the precise relationhandgun, but the law forbids him ship between common gun ownerto carry it except when traveling or ship and the use of guns in crimes is not well documented, social scien-Sawed-off shotguns, shortened tists say they believe the increasingrifles and automatic weapons may ly frequent use of guns for crimes and murders in Texas will get

WOLSC. John C. Pollock, a New York felons, can walk along Main Street sociologist who is an expert on vioat high noon carrying a loaded rifle lence in the United States and its causes, believes the rapid popula-Some social scientists are becoming concerned about what they see classic condition for high crime

"Texas is not substantially different from some other states in the South in gun ownership." Pollock ern and western culture, and Texas. said. What makes Texas different is dislocation of people. You have many, many new neighborhoods. I think Texas is headed toward a serious crossroads." Pollock said. ond most urban state in the United When people suddenly are thrust States, gun ownership is a cultural among strangers, far from the fatradition that flourishes. Social sci-miliar, the result is crime and vio-

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new view of the Bowery as an area of "opportunity." Some say cent loss since 1975. "The pres-

stores on the Bowery near Grand Even some young professionals

Some, like Bernstein, say they feel the dichotomy of wanting to live in a safer area but not wanting to destroy the Bowery's iden-"The funny consequence of

the area, but unfortunately it usually doesn't work like that. The poor are usually sacrificed."

on the Bowery, according to Met-zinger. He said there were now 12 single-room-occupancy hotels in the area providing about 3,000 sure on these people is there and it's growing." Metzinger said. "But no one has yet officially acknowledged that the area is changing, and if that means dis-placement of sheltered, homeless people, then we better find an

sometimes that if they're sick and away from their bed for even a

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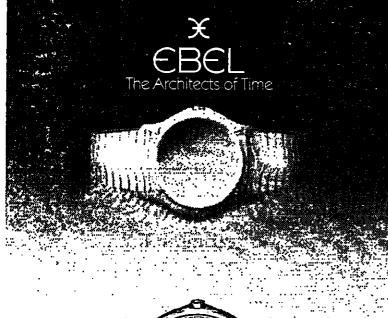
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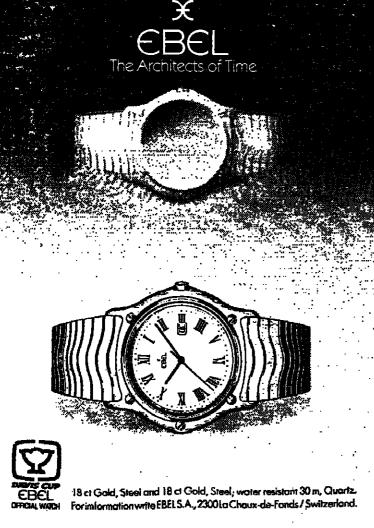


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